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Ammunition dump explosions rock Lower Galilee

By MENAHEM HOROWITZ and JOSHUA BRILLIANT
Jerusalem Post Reporters

TIBERIAS. — Explosions rocked an ammunition dump inside an Israel Defence Forces depot near the Golani Junction for nearly four hours yesterday, scattering shells throughout a wide area, sending people into air-raid shelters and putting Upper Tiberias on alert.

A military source said the ammunition destroyed was war booty captured from PLO terrorists in Lebanon, which had been stockpiled near the junction.

The explosion, which set off huge fires inside the dump as well as igniting blazes elsewhere in the region where the shells fell, was believed to have originated in an IDF munitions truck. However, the exact cause has not been determined. The Military Police investigation branch yesterday launched its probe into the cause.

The director of the nearby Afula Hospital, Dr. Jossy Faktor, said 11 civilian workers at the depot had been treated at the hospital, either for slight shrapnel wounds or for shock. The only person remaining hospitalized overnight was a man who had broken his leg, apparently as he leaped for safety away from the exploding shells.

Roads surrounding the depot were closed off immediately. Large fire-fighting forces were called into action, including planes. Two Chimavir crop dusters flew close to the flames and sprayed water mixed with a special chemical to extinguish the blazes. The pilots waited until 30 minutes after the explosions stopped before flying over the centre of the fire, especially near Kafr Kana.

Meanwhile, IDF soldiers launched an extensive search in the fields around the Golani Junction for unexploded ammunition. Military sources said that the bombs scattered by the explosions which had failed to explode could go off if someone touched them.

Benny Gurfinkel, head of the Lower Galilee council, said that at about noon he received a report from residents in Arbel in Lower Galilee that shells were falling from the direction of the Golani Junction. He ordered all Lower Galilee residents into their shelters and set out to inspect the damage. Falling shells had reached as far south as Beit Keshet and Kadouri.

In Upper Tiberias a security officer named Ezer Weizman said that upon hearing shellfire, he was ordered by the Civil Guard to activate all local air raid sirens. The Golani Junction is about nine kilometres from Upper Tiberias.

Roads to the area were cut off during the afternoon and Poriya Hospital was placed on alert throughout the afternoon.

A spokesman for the Tiberias Fire Department said fires raged on the western, hilly outskirts of the town. He said no shells landed in the main, lower section of the town.

Sounds of the explosions echoed throughout the north and were heard in the Galilee Panhandle.

"There is a lot of smoke covering the horizon...it looks just like a war," said a resident of a Galilee kibbutz in an interview with Army Radio.

A military source said that on the basis of the information he had, he ruled out terrorist activity as the cause. However, he did not rule it out completely.



Defence Minister Ariel Sharon takes a long view of the situation while touring Lebanon yesterday. (Defence Ministry)

Crucial U.S. talks for Arab envoys

By DAVID BERNSTEIN
Post Mideast Affairs Reporter
and agencies

Syrian Foreign Minister Abdul-Halim Khaddam and his Saudi counterpart, Prince Saud al-Faisal, left for Washington yesterday in what is widely regarded as a crucial bid to achieve a breakthrough in the stalled talks on getting the PLO out of Lebanon.

The two ministers are scheduled to meet President Ronald Reagan and newly-installed Secretary of State George Shultz tomorrow.

It was not clear last night if Khaled al-Hassan, one of PLO chief Yasser Arafat's top political aides, would be joining them in Washington as originally planned. Even if he does, he is unlikely to be received by either Reagan or Shultz, in line with standing U.S. policy of no official contacts with PLO representatives.

Observers in Beirut hope that the meetings in Washington, which were originally due to have taken place last week but were delayed by the renewed fighting in the Iran-Iraq Gulf and the swearing-in of the new secretary of state, will help remove some of the obstacles in the way of a political solution to the Lebanon crisis.

Chief among these is Syria's categorical refusal to receive any but the political leadership of the 8,000-odd PLO terrorists trapped in West Beirut. This position was repeated in Amsterdam yesterday by Khaddam, who spoke to reporters at Schiphol Airport while en route for the U.S.

It was not only a question of the military presence of the PLO in Lebanon, but of a few hundred thousand Palestinians, Khaddam said. "Each one of the guerrillas has a family and supports his family. If he leaves, the family has to go with him."

Lebanese Radio reported yesterday that the Lebanese government expects Reagan and Shultz to try to persuade Syria to take in the PLO evacuees from Beirut on a temporary basis until they can be settled elsewhere in the Arab world.

According to Dutch Radio, however, Khaddam told reporters that he would ask the U.S. to "exert pressure" on Israel to withdraw its troops from Lebanon.

Prince Saud is also expected to demand U.S. pressure on Israel. Observers in the Gulf have noted that Saudi Arabia is coming under considerable Arab pressure to use its influence with Washington to force an Israel withdrawal.

Another major problem — which some observers view as possibly more significant than the question of where the PLO are to go once they leave Beirut — concerns the deployment of a multinational force in Beirut. Israel insists that such a force be deployed only after the PLO leaves Beirut, while the PLO insists that it be deployed between its own and the Israel forces following a limited Israeli pullback, and *before* it begins its exodus.

It is not clear how this issue could possibly be resolved in Washington, even if Syria can be persuaded to reverse its position on receiving the PLO.

In Beirut, meanwhile, Lebanese Prime Minister Shafik Wazzan yesterday ruled out the possibility of a peace treaty with Israel — as suggested by Prime Minister Menachem Begin and Defence Minister Ariel Sharon on Saturday night.

"I am certain that Lebanon will not sign a unilateral peace treaty with Israel," Wazzan told the English-language magazine *Monday Morning*.

Wazzan, like other Lebanese leaders, called for an Israel withdrawal and repeated earlier demands that non-Lebanese armed groups should also leave the country.

"The settlements under discussion call for a final solution that leaves no armed Palestinian presence in any part of Lebanon's territory. This principle has been adopted by the PLO," Wazzan said.

He confirmed that the two key obstacles slowing the process of negotiations to resolve the Beirut crisis were the timing of the deployment of a multi-national peace force in the city and the destination of the PLO evacuees.

PLO spokesman Mahmoud Labadi yesterday rejected another proposal made by Sharon at Saturday night's rally in Tel Aviv — that the PLO be given "temporary asylum" in Israel before moving on to Arab states that were prepared to receive them.

Labadi said in response to the Israel proposal that "Sharon should know that the only solution is not elsewhere but in Palestine and that all varieties of psychological warfare are doomed to failure."

Referring to Israel demands that the PLO fighters trapped in West Beirut be sent out of Lebanon, Labadi said: "Israel would be better advised to recognize the rights of the Palestinians to self-determination and stop trying to transfer their headaches."

Cabinet decides:

PLO will be shown Israel means business

By ASHER WALLFISH and DAVID LANDAU

Jerusalem's aim now is to undermine the self-assurance of the PLO in words and deeds. This was made clear at yesterday's cabinet session, which was declared a meeting of the Ministerial Security Committee.

The growing pessimism among cabinet ministers over the prospect of getting the PLO out of Beirut by political means has not altered the relative strengths of the two main blocs in the cabinet, which took shape when the IDF siege of the Lebanese capital began.

The divergence of opinion between the two blocs has again come to the surface.

The dominant pessimism reflects impressions about the mood of the PLO in West Beirut which proves that the terrorists are totally convinced that an Israeli frontal attack can be ruled out.

This total conviction, more than any other reason, is seen in Jerusalem as explaining the lack of progress in the negotiations conducted by the U.S. mediator Philip Habib. There is not much credence here in Habib's view that if only Syria would agree to take them in, the PLO would leave Beirut.

Prime Minister Menachem Begin and his colleagues have taken it upon themselves to make the PLO take the threat of a frontal attack very seriously. Their public utterances in the next few days will serve this purpose.

Amid an unprecedented clampdown on top-level leaks, all schools of thought within the cabinet have agreed to toe this line, privately as well as publicly.

Ministers who have been popularly identified, rightly or wrongly, with the go-slow school over the past few weeks, have resolved either to echo Begin's stern warnings of Saturday night, or to hold their peace and shun the media.

Deputy Prime Minister David Levy, who told Israel TV earlier this month that caution was of the essence in Beirut, said last night (on the TV Arabic programme) that Israel would not tolerate procrastination by the PLO. If the political option bore no fruit and Israel had no alternative, Levy said, the government had a range of ways and means at its disposal.

Information from West Beirut shows that the PLO knows the strength of opposition here to a frontal assault. It also knows the measure of reluctance for assault inside the Cabinet from media appraisals. The PLO has taken note of statements, such as that by Defence Minister Ariel Sharon in the Knesset Foreign Affairs and Defence Committee last Thursday, listing three reasons against a frontal assault.

Although Sharon has never tabled a formal motion in the cabinet for approval of a frontal assault on West Beirut, the press has linked his name to such a proposal. Hence he made his statement to the Knesset committee last week to signal that he was not ploughing a lone furrow. His statement pleased the U.S. administration — and comforted the PLO, it was understood.

Even though water and electricity will be allowed into West Beirut, no fuel and few provisions will be allowed. A range of harassment can be expected.

Officials in Jerusalem seemed distinctly chary yesterday of the prospect that former secretary of state Henry Kissinger might be sent on a mediation mission to the area. One highly-placed official described

(Continued on Page 2, Col. 2)

Syrians, PLO break cease-fire

Jerusalem Post Staff

Both the terrorists and the Syrians yesterday violated the week-old cease-fire in Lebanon with intermittent fire from light weapons, the Israel Defence Forces spokesman said. There were no Israel casualties, he said.

During the exchanges at the international airport southeast of Beirut, a T-55 Soviet tank was identified as a source of terrorist fire; it was destroyed by IDF gunners.

Sniper fire and fire from automatic weapons continued throughout the day near the airport and the IDF returned fire.

In the eastern sector, close to the cease-fire line, the Syrians fired automatic weapons intermittently throughout the afternoon. The IDF returned fire.

The Palestinian news agency WAFA yesterday reported that the PLO is using hit-and-run war tactics against the IDF. On Saturday, a terrorist unit launched a night raid on Israel positions near Mansouriye in the hills east of Beirut, WAFA said.

Fresh fighting reported in Iran-Iraq conflict

LONDON (UPI). — Iran and Iraq both reported fresh fighting yesterday on the sixth day of Iran's push into Iraqi territory.

An Iraqi military communique said Iraqi forces clashed with Iranian units on Saturday night and yesterday morning "forcing the enemy to retreat suffering very heavy losses."

The communique said Iraqi forces destroyed 26 Iranian tanks, four artillery guns and five rocket launching pads and captured 20 tanks intact.

Teheran Radio quoted a military communique as saying that Iranian troops had destroyed two Iraqi brigades and one battalion, killing or wounding more than 850 Iraqis. It added that Iranian forces had knocked out 116 Iraqi tanks and armoured troop carriers.

The communique did not say when or where the latest operation took place, but recent reports have spoken of heavy fighting around the Iraqi oil city of Basra, at the head of the Gulf.

Iranian Prime Minister Hussain Mosavi said on Saturday that Iranian troops will continue pushing into Iraq until Iran decides its frontiers are safe. Arriving in Algiers on an official visit, Mosavi said the Iranian army "will go as far as achieving adequate positions to protect our land."

No decision on Kissinger

Reagan review of Mideast includes cluster-bomb issue

WASHINGTON. — President Ronald Reagan said yesterday the U.S. administration has begun a major review of all the problems involved in the current Middle East crisis, including whether to send new shipments of cluster-bombs to Israel.

Reagan said at the same time he has not decided to tap former secretary of state Henry Kissinger for a special mission to the region.

"There have been no decisions or plans or anything of that kind," Reagan said.

Reagan made the comment on his return to the White House by helicopter after spending the weekend at Camp David.

Asked if it is a good time to review the question of further arms to Israel, whose forces invaded Lebanon June 6 and now have West Beirut encircled, Reagan said: "This is what is on our minds right now, everything to do with the Middle East and trying to find answers to that problem."

Prime Minister Menachem Begin replied Saturday to Reagan's requests for data on whether U.S.-made cluster-bombs were used in Lebanon in violation of the U.S.-

(Continued on Page 2, Col. 1)

New settlement breaks ground near Bethlehem

ELAZAR (Itim). — A settlement nucleus of 20 families out of a group of 70 yesterday broke ground here for a new settlement alongside this moshav on the Bethlehem-Hebron road.

Although the group has not yet received any of the necessary permits from settlement authorities, its members say their right to settle there follows from the land's being purchased by a Jew in the 1930s.

Named Daniel, the settlement's organizers said the authorities had scheduled its founding but this had been put off by the war in Lebanon. They decided to go ahead with the groundbreaking in reaction to Saturday's murder of a civilian, Ya'acov Kor, while shopping in Bethlehem.

Two weeks ago another settlement was founded near Herodion in reaction to the terrorist murder of a resident of Tekoa.

IDF to release 10-16 year old ex-terrorists

By MENAHEM HOROWITZ
Jerusalem Post Reporter

ANZAR. — The Israel Defence Forces yesterday initiated procedures for the release of some 220 detainees aged 10 to 16 who belonged to various terrorist organizations. The youths and children are among several thousand terrorists being held in a large military prison camp in this village north of Nabatiye.

Representatives of the International Red Cross arrived at the prison at noon yesterday and spent half an hour talking with the prison commander, Aluf-Mishne Meir. It had originally been thought that the boys would be released yesterday, and Egged buses were standing by to transport them to the coast.

However, the question where they will go and who will be responsible for their welfare apparently has delayed their release by 24 to 48 hours. Some of the boys will return to their families living in refugee camps along the Lebanese coast.

Others, who are natives of Syria, require more complicated arrangements to reach their families, thus necessitating a delay while the IRC works out the details.

Many hundreds of youths were included among the approximately 9,000 terrorists rounded up by the IDF since the beginning of Operation Peace for Galilee. All of the detainees were first interrogated in Israel and, starting on July 7, the first of them were transferred to camps within Lebanon.

The prison at Anzar, one of the largest of its kind ever built by the IDF, was completed in only 10 days by private Israeli contractors working with the Engineering Corps and the Military Police.

The large compound, surrounded by a high dirt embankment topped with barbed wire, consists of tents in rows on packed sandy earth. There is running water and electric lighting and the IDF is making preparations for using the prison during the winter months.

The prison headquarters are located on the roof of a house adjacent to the camp and commands a view of the entire facility.

The IRC representatives accompanied by high-ranking IDF officers, climbed a ladder to the rooftop headquarters and were briefed on the situation of the thousands of detainees in the camp.

During a tour of the prison, Aluf-Mishne Meir told reporters that the detainees have better living conditions in Anzar than during their initial interrogation in Israel.

Their diet includes rice, potatoes, fruit and vegetables, and arrangements are being completed for the detainees to do their own cooking, he said.

The prison camp, although located right beside the main road from Nabatiye to Tyre, is a closed area. No soldiers or civilians are allowed in; nor are family visits permitted.

We spoke with three of the boys who are slated to be released. Samir, wearing a khaki shirt and blue pants and with a large bandage on his hand, is 15 years old and comes from Syria.

"I came with my father to visit an aunt in Tyre and after two days my father went back home," Samir said. "My cousin then convinced me to join the Democratic Front for the Liberation of Palestine (DFLP).

"But after nine days of training in using a Kalashnikov, I wanted to escape and fled to Beirut. I was caught by one of Salah Khalaf (Abu Iyad) officers and thrown into jail in Beirut for 20 days.

"I got sick there and was hospitalized in Beirut. At the beginning of the war, the Israelis shelled the hospital and everyone fled. I was wounded in the hand and

(Continued on Page 2, Col. 7)

Police question locals in Bethlehem killing

Jerusalem Post Staff

BETHLEHEM. — Security forces questioned many local persons yesterday in connection with the killing of an Israeli civilian in Bethlehem yesterday. About 100 persons were still being held last night.

Ya'acov Kor, 40, an employee of the Public Works Department in Judea/Samaria was murdered in front of his four children in the city market. His assailant escaped.

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	MIN. C	MIN. F	MAX. C	MAX. F	
AMSTERDAM	19	66	23	73	Cloudy
BRUSSELS	22	71	27	80	Clear
BUENOS AIRES	14	57	18	64	Clear
CHICAGO	26	78	34	93	Rain
COPENHAGEN	14	57	21	70	Clear
FRANKFURT	17	63	27	81	Clear
GENEVA	18	64	25	77	Cloudy
HELSINKI	20	68	22	72	Cloudy
HONG KONG	27	81	31	88	Clear
JOHANNESBURG	4	39	15	59	Clear
LISBON	17	63	24	75	Clear
LONDON	16	61	25	77	Cloudy
MADRID	13	55	30	86	Clear
MONTREAL	22	72	33	91	Cloudy
NEW YORK	24	76	31	87	Clear
OSLO	15	59	20	68	Clear
PARIS	15	59	25	77	Clear
RIO DE JANEIRO	14	57	27	80	Cloudy
SAO PAULO	19	66	22	71	Cloudy
STOCKHOLM	18	64	26	79	Clear
TOKYO	21	70	29	84	Cloudy
TORONTO	20	68	30	86	Cloudy
VIENNA	17	63	31	88	Cloudy
ZURICH	18	64	25	77	Clear

* For the latest weather conditions, contact Swissair.

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THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	34	16—30	30
Golan	23	16—30	31
Nahariya	58	17—29	29
Safad	36	16—30	31
Haifa Port	60	24—29	29
Tiberias	41	20—33	34
Nazareth	—	19—30	31
Afula	48	17—33	34
Shomron	49	19—31	32
Tel Aviv	64	21—30	30
B-G Airport	49	20—31	32
Jericho	28	23—38	39
Gaza	69	21—28	28
Beersheba	28	19—34	35
Eilat	19	26—37	38

SOCIAL & PERSONAL

The President of the Hebrew Union College-Jewish Institute of Religion, Dr. Alfred Gottschalk, conferred the degree of Doctor of Divinity *honoris causa* on Rabbi Henry Skirball, at an academic ceremony during the Shabbat morning service. Skirball is director of the youth division of the Union of American Hebrew Congregations in Israel.

75 bursaries have been awarded to outstanding pupils of the Bosmat Trade School in Haifa by the B'nai B'rith Hillel Lodge.

The Journalists Association and the Public Relations Association are holding a symposium on "The smoke of battle and the fog of husbara," at 3.30 tomorrow at Beit Agron, Jerusalem.

ARRIVALS

Eli Zborowski, president of the American Federation of Jewish Fighters, Partisans and Camp Inmates and member of the Yad Vashem executive, to participate in the sessions of those bodies, after a visit to Poland.

REAGAN

(Continued from Page One)

Israeli arms agreement.

Reagan said the Israeli response "just came in" and is "under study." U.S. and Israeli officials have declined to disclose the contents of the reply. (UPI, AP)

According to Jerusalem Post Correspondent Wolf Blitzer, most U.S. officials anticipate a delay in the shipment.

Israel has been widely accused of violating its agreements with the U.S. although Israel, in its formal reply, denied any such violation.

The Israel reply, presented to the State Department by Ambassador Moshe Arens, conceded that Israel had used cluster bombs in Lebanon but only under circumstances allowed in earlier U.S.-Israel agreements. U.S. officials have termed the Israel letter "not definitive or conclusive." This has led observers here to believe that today's shipment will be held up.

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Sen. Cranston criticizes Begin

Sen. Jackson lauds Lebanon operation, regrets secrecy

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Two of Israel's best friends in the Senate yesterday said Prime Minister Menachem Begin's policies had caused a serious erosion of U.S. popular support for Israel. Democrat Henry Jackson of Washington however had praise for Israel's action in Lebanon and was critical merely of the failure to consult the U.S. in advance.

Alan Cranston of California, also a Democrat, balanced his criticism of recent Israel policies by differentiating between his overall support for Israel as opposed to the Likud-led government.

Jackson, appearing on the CBS News television interview programme *Face the Nation* said that "technically" Israel did violate its agreements to the U.S. by using American-supplied weaponry in Lebanon.

Cranston, interviewed on NBC's *Meet the Press* complained about Israel's acknowledged use of cluster bombs in Lebanon. He called any such use against civilians "inappropriate."

Asked whether support for Israel on Capitol Hill had declined, Cranston replied:

"I think there is less of a willingness to go along with Israel than in the past, but that's because of Mr. Begin and his decisions, not because of any fundamental change in U.S. support for Israel." Like Jackson, Cranston noted that Israel was a fellow democracy which shared common ideals with the U.S.

Jackson praised Israel for taking decisive action against the Soviet-supplied armies of Syria and the PLO. He said many Americans admire Israel's ability "to move" so successfully against its enemies.

But he went on to complain that Israel had not properly consulted with the U.S. in advance.

"If we are going to be allies," Jackson said, "we are going to have to consult. The Israelis did not consult with our government on any of these matters.

Asked how much damage Begin has done to Israel's support in the U.S., Jackson said: "I think there has been substantial erosion of support for Israel on what occurred there (in Lebanon.) On the other side of the ledger, there is great admiration on the part of frustrated American citizens for the fact that when they (Israel) seek to do something, they know how to do it and get it done."

Pressed to explain whether Israel's actions in Lebanon were justified, Jackson said: "The answer can only come with time. It will depend on whether or not we are able out of all of this to bring about a strong, central, stable government in Lebanon in which Christians and Moslems can live together."

Begin: Security dictates choosing when to fight

TEL AVIV (Itim). — Prime Minister Menachem Begin told a group of disabled veterans of the Israel Defence Forces last night that, despite PLO leader Yasser Arafat's posturing, "it will not take us long to wipe him out."

Although the battle is not yet over, Begin continued, "We will soon finish it."

The prime minister stressed that wars Israel has fought from a lack of alternative were more costly, citing the War of Independence and the Yom Kippur War, with 6,000 and 3,000 deaths respectively.

We must learn that we shall not always fight for lack of an alternative, Begin said, and we must know how to weigh our security and occasionally go to war.

Begin said it has already been forgotten that the Palestine Liberation Organization had attacked northern Israel and "spilled the blood of Jewish children in many places in the country."

Therefore, Begin said, we acted in accordance with the teachings of the Talmud: "Whoever comes to kill you — kill him first — and this we did."

The land is quiet now, Begin said, and on the horizon he does not see war for a long time.

The meeting at the Tel Aviv branch of the disabled veterans association opened with a statement by chairman Nahum Gumadi, who noted the organization is adding many new members this year. There are 32,000 members in five branches throughout the country.

Last night's programme also featured an appearance by U.S. film actor George Segal, Gadi Yagil, an IDF troupe and other entertainers.

PLO WILL BE SHOWN

(Continued from Page One)

the idea as an American "gimmick, now that Habib has failed to meet the various deadlines that he himself laid down for achieving an agreement."

"It is no shortcoming on Habib's part that has led to this failure," the official continued. "Habib has done everything possible; the PLO simply refuse to leave."

Gimmick or not, sending Kissinger would clearly impose new restraints on Israel, given his still-vast prestige and the massive publicity that would inevitably accompany his efforts. Hence the coolness here that greeted the reports of the possible appointment. Jerusalem would have to think twice before ordering an armed assault on West Beirut, once Kissinger had undertaken a mediation mission.

Indeed, it is presumably for this very reason that the U.S. administration is considering appointing him — or at least letting it be understood that it is considering appointing him.

The prospect of Kissinger taking over the talks was not discussed at yesterday's cabinet meeting, according to two ministerial sources. Foreign Minister Yitzhak Shamir made no reference to the speculation on this issue in his report to the cabinet.

Shamir tried to allay a possible misunderstanding between Begin and Secretary of State Shultz following Begin's public pronouncement at the pro-government rally in Tel Aviv the night before, that "the murderers in Beirut do not have 30 days to leave...as some have said."

Begin was referring to a statement by Shultz which mentioned the 30-day figure. But Shamir explained that the secretary, according to a State Department clarification, had meant it might take 30 days to *implement* an evacuation agreement, not that it would take 30 days from now to *reach* an agreement.

In this, said Shamir, Shultz was echoing President Ronald Reagan himself, who envisioned that the U.S. marines would be in Beirut for up to 30 days to supervise the evacuation.

Officials made it clear after the cabinet meeting that Israel would certainly agree to a 30-day implementation period — provided the actual agreement specifying the evacuation can be reached soon.

Cabinet sources maintained yesterday that the atmosphere between Israel and the U.S. had improved markedly over the past 10 days, since Reagan sent his tough message to Begin warning of grave effects on the U.S.-Israel relationship should the IDF assault West Beirut.

Begin himself observed at yesterday's session that while Washington sometimes takes a reproving tone with Jerusalem, these tiffs quickly fade.

One minister told *The Post* later that Reagan's tough message had been "based on a misunderstanding" over siege conditions in Beirut. "Were it not for the misunderstanding, the note would never have been written like that."

But even this minister, a cabinet hardliner, conceded that the U.S. is still solidly opposed to Israel's using the military option in West Beirut — and would probably remain opposed to it even if Washington concluded — as many in Jerusalem have concluded — that the diplomatic effort is leading nowhere.

There was universal opposition in government circles yesterday to former premier Yitzhak Rabin's proposal that the PLO terrorists in Beirut be allowed to withdraw to Tripoli, in the north of Lebanon.

SCIENCE. — Two new chairs have been established at the Weizmann Institute of Science in Rehovot: the Stephen and Mary Meadow Chair in Laser Photochemistry and the Elaine and Bram Goldsmith Chair in Applied Mathematics.



Jerusalem day-campers yesterday view a puppet show depicting a dental health care theme, part of a new programme to foster awareness of good health habits. (Scoop 80)

Ze'evi's plan to transform Ha'aretz Museum

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — A comprehensive master-plan for the development of the Ha'aretz Museum has been devised by museum executive chairman Rehav'am Ze'evi, who was due to submit it to the municipal executive for approval yesterday evening.

The plan, which calls for 12 new pavilions, a garden of Israeli plant, an open theatre, an auditorium and a central library, is designed to make the museum an educational centre for the study of the Land of Israel as well as a museum specializing in Israel-related topics.

In terms of the plan, the existing pavilions — which house glass, ceramic, and coin exhibits — will be renovated with airconditioning units and study corners for students, and the displays will be updated. The Nehushtan Pavilion of ancient metals will be expanded into an archeometallurgic museum.

A park will be built, in which the archeological finds from Tel Kasila (an ancient mound within the museum grounds) will be displayed, and a garden dedicated to "Israeli scenery" will be laid out.

Among the new pavilions will be those devoted to the flora and fauna of Israel, settlement and agriculture; culture and communications, industry, and sects in Israel.

The long-neglected skeleton of a building in the museum grounds will become a central auditorium, a hall for changing displays and a central library. A theatre for 750 people, a restaurant and book store are also planned.



A pupil at the Military Academy in Tel Aviv completes the third and final jump in a parachuting course yesterday. The 44 pupils in the course, who just finished the 11th grade, will receive their "wings" at a closing ceremony next week. (Guy Hioni, IDF photo)

Jordan and Sudan support summit plan

ALEXANDRIA, Egypt (UPI). — Jordan and Sudan have approved Egyptian President Hosni Mubarak's call for an Arab summit on the Lebanon crisis and the Iraq-Iran war. Sudanese President Jaafar Numeiri flew to Jeddah yesterday to seek Saudi Arabian support for the summit.

In making the call on Thursday, Mubarak said the "Arabs must lay aside their differences and meet and agree on a unified policy" regarding the conflicts.

Egypt yesterday termed the Israeli invasion of Lebanon a "blow to peace efforts in the Middle East." The criticism was contained in a message from Foreign Minister Kamal Hassan Ali to his Israeli counterpart Yitzhak Shamir.

In Amman, a Jordanian government spokesman yesterday dismissed Israeli Prime Minister Menachem Begin's proposal for a trade confederation with Israel as "one of Israel's many tricks and maneuvers to drive world attention away from the Israeli occupation of the West Bank of Jordan and the Gaza Strip."

On Saturday night, Begin proposed that Jordan enter into a confederation of free movement and trade with what he called the "western Land of Israel," a term he uses to refer to Israel plus the West Bank.

Begin exploited rally to attack Labour, Peres says

Shimon Peres last night charged Prime Minister Menachem Begin with using the mass rally in support of the war in Lebanon for a partisan attack on the opposition.

Peres told Kol Yisrael that, despite the fact that the opposition was not completely satisfied with the military measures taken during the war, it had "preserved national unity and gave the government a free hand. We are an exemplary opposition," he stressed. The Labour Party chairman charged Begin with trying to pin the failure of the government's information campaign on the opposition.

Peres advised the government to find a political solution to the present situation. The terrorists want to withdraw from West Beirut, but the Syrians want the IDF to go in, Peres said. This, he explained, is because the Syrians would "like to see more casualties, more destruction, more TV pictures." (Itim).

Israeli boys enter tennis semi-finals

Post Sports Reporter

Israel qualified for the semi-finals of the Borotra Cup boy's under 16 European tennis championship after a great 3-2 third round victory over host country Italy in Forly last night.

Menashe Tsur and Gilad Bloom maintained their unbeaten singles record in the tie against Italy, with Tsur and Russell Myers doing the same in the doubles. Contesting the semi-finals along with Israel are France, Spain and Sweden.

Zaire rents offices

TEL AVIV. — The Zaire Embassy is due to be opened within a few days in Beit Eliyahu at the Ibn Gabirol-Hame'asfim intersection. Zaire's ambassador-designate to Israel, Nazumi Mabuza, signed a three-year lease for the office space a few days ago.

The embassy, on the 11th floor of the building, occupies 225 square metres. The building's penthouses will be used for special embassy events.

EX-TERRORISTS

(Continued from Page One)

stomach and couldn't move.

"About an hour and a half after the shelling, the first Israeli soldiers came into the hospital and I called out to them. An officer named Rami took care of me and I was taken on a stretcher to Nabatiye.

"From there, I went to a hospital in Israel. They took very good care of me," Samir summed up.

Hassan, a 14-year-old whose family came to Lebanon from Latakiya in Syria four years ago, told us that he does not understand the Palestinian problem at all. He simply wanted to earn some money to help support his family, which could find no way of making a living in Lebanon.

Hassan said that he found work with the Popular Front for the Liberation of Palestine-General Command, headed by Ahmed Jibril. He was in a group of 15 youths, aged 13 to 25, most of whom came from Syria.

"I received training on Kalashnikovs and other weapons," he related, "but no political indoctrination whatsoever. I did it for the money."

Hassan was paid 600 Lebanese pounds a month (about IS3,000). He said that representatives of the various terrorist organizations regularly visited the refugee camps dotted along the coast, seeking recruits. Payment was worked out on the basis of the number of people in the new recruit's family.

Recruits were not hard to find in the poor refugee camps, Hassan said. In the Fatah camp near Rashadiye south of Sidon, the youngest terrorist was seven years old.

Hassan was based in a terrorist camp between Tyre and Sidon. He said when the IDF invaded southern Lebanon everyone fled the camp. Hassan was on his way to Beirut when he was caught by some residents of Damour, south of the capital, and turned over to the IDF.

"The Israelis treated me well. I ate tomatoes, fish, leben and potatoes," he said.

The third youth we interviewed stated flatly at the outset: "I am not a terrorist. I don't know what I'm doing here in prison."

Adil, 14, was born in a refugee camp south of Tyre, but his family is from Acre. They fled Israel in 1948. "I never joined a terrorist group," he said, "but all my friends did." He explained that all youths were subject to "compulsory service" after the age of 17.

"But I was never a member, they (the Israelis) just came onto the camp and called out on a loudspeaker to all the males of the camp to gather in the square.

"I went there and they arrested me. I was in Israel 11 days for questioning, but I told them I'm not and never was a terrorist."

He worked in a garage in Tyre and told of terrorists bringing in vehicles for repairs. "They never paid," he said. They just hit me a few times and drove off."

Another visitor to the prison yesterday was Assad Suleiman Abdel Khader, the PLO commander of Sidon and a close aide to PLO chief Yasser Arafat. Khader, codenamed Abu Salah, also served as commander of the Fatah youth organization. He turned himself over to the IDF last week.

It was in that capacity that he came to visit his former charges yesterday and offer them some words of encouragement. He arrived in the company of an IDF lieutenant-colonel and two military policemen.

"When the Israelis first said they wanted me to talk with the boys, I thought it was a bluff. I cannot tell them anything that contradicts my beliefs, and I didn't think the Israelis would allow me to speak from my heart.

"I gave myself up, but I never gave in...I did not change my thoughts or beliefs, and that is what I will tell the boys.

"But Lebanon is lost to us as a base, and therefore there is no point in using weapons anymore. Laying down our arms will give the families of these boys some comfort and peace of mind."

To the musical director of our orchestra,
MENDI RODAN,
we express our grief at the death of your
MOTHER ז"ל
Israel Sinfonietta Management and Players

To **LARRY WALLER** and family
on the death of your
FATHER
We are with you in your loss.
Management and Staff of Eshkar and Georg Jensen and Co., Jerusalem

To **LUCIAN IANCU,**
Our deepest sympathies on the passing of your
FATHER
Your colleagues at the Israel General Bank Ltd.

Our dearly beloved husband, father, grandfather and great-grandfather
Dr. ALEXANDER WALK ז"ל
has left us forever.
Wife, Charlotte Walk and family
For funeral arrangements please phone 02-525291.

Our beloved
NELLY MUNTNER
née Taussik
has left us forever.
The funeral took place on Sunday in Jerusalem.
The family, Buenos Aires and Ramat Gan

We extend our sincere sympathy to our Haver **JOSEPH TUNIS** on the death of his father
OSCAR TUNIS ז"ל
of Vancouver, Canada.
He will be sadly missed by his many friends.
Kfar Daniel

هكذا من الأصل

هكذا من الأصل

Coalition begins moves to delay municipal elections

By SARAH HONIG
Post Political Reporter

TEL AVIV. — Moves to postpone the municipal elections are due to start today, and political observers believe the date picked will indicate when Knesset elections will be held.

The municipal elections are due to be held in November but there is a wide consensus within all coalition parties that they must be delayed. The main explanation given is the war in Lebanon, although some parties, like the National Religious Party, had pressed for postponement before the war. The Likud has been interested in advancing the Knesset elections.

Coalition representatives will meet this morning with Alignment faction representatives to see whether the Alignment might join the legislative moves to put off the local elections. The feeling among Labour insiders is that if the Alignment does not actually co-sponsor the postponement, it will not oppose it too strenuously. Thus far, only Shinui and Hadash have expressed strong opposition.

Observers believe the new date picked for the municipal elections would indicate what date the Likud and NRP have in mind for general elections. If the Knesset poll is held earlier than 1985, they are likely to be rescheduled for the same date as the local elections.

Before the war, the Likud and NRP had agreed that the new date for the Knesset elections would be June 1983. But now with Tehiya likely to enter the coalition, the Likud might no longer feel that early elections are really needed. The consensus is that much will depend on relations within the coalition and on whether the partnership with Tehiya will make the coalition more stable. If so, the government might serve on its full term. If not, the new date for the local elections would serve as a useful target date for Knesset elections.

The bill on postponing the municipal elections will have to pass through all stages of legislation before the end of the month, when the Knesset goes on recess. Otherwise the local elections will have to be held in November, as campaigning is officially due to start in August.

Chairman of the Union of Local Authorities, Holon Mayor Pinhas Eylon, yesterday said he favoured putting off the local elections. Eylon, a labour member, said "it is unthinkable for the nation to be embroiled in a campaign, with all the rivalry and mud-slinging entailed, when soldiers are at the front and with a possibility that the war may erupt again."

Hadera Mayor Yehiel Cahana yesterday suggested that mayors should serve six-year-terms instead of four, and that mayors be limited to two terms of office.

Herzliya Mayor Yosef Nevo also agreed that the elections should be postponed.



Bishop Barnabas Lekganyane, head of South Africa's Zion Christian Church, being welcomed to Beit Hanassi by President Yitzhak Navon yesterday. (Rahamim Israeli)

Navon receives South African bishop

By JUDY SIEGEL
Jerusalem Post Reporter

Bishop Barnabas Lekganyane, head of the largest black church in South Africa, was received by President Yitzhak Navon yesterday after touring holy places in the north.

Lekganyane, 30-year-old head of the Zion Christian Church that was founded by his grandfather in 1910, is in Israel as the guest of Tourism Minister Avraham Sharir, who met the bishop during a recent visit to church headquarters in Moriah City, South Africa.

By coincidence, the bishop and his entourage are staying at Jerusalem's Moriah Hotel. Navon explained the origin of the word Moriah as a native Israeli plant that looks like the candelabrum of the Temple.

The church, which has four million followers and owns 1,000 church buildings in South Africa, was recognized by the country's government in 1963. Its services combine Christianity and black African beliefs.

Navon was told that many of the church members are middle- and upper-class blacks, who are very interested in the Holy Land.

Not fluent in either the northern or southern dialects of Sotho, the bishop's native tongue, the president conversed with the church leader with the help of an English interpreter.

Comptroller finds Meuhedet a sick sick fund

Jerusalem Post Reporter

TEL AVIV. — Kupat Holim Meuhedet is not in the best of health. This emerges from the State Comptroller's report on this sick fund, the smallest of four operating in Israel.

(Klalit, run by the Histadrut, is the largest; with Maccabi (independent) and Leumi (Herut) both claiming second place.)

The report covers the years until mid 1981, with some facts updated to the end of 1981.

Asked to comment on the long list of shortcomings, Uziel Salant, who was appointed director three years ago, told *The Jerusalem Post*, "I've yet to study the document carefully. But a first glance does show that some faults mentioned by the state comptroller were brought to his attention after we discovered and corrected them; all the other faults will be remedied as soon as possible."

The state comptroller notes that the greatest growth in manpower in Meuhedet in 1979 was in "administrative workers," not medical personnel. (This has been partially rectified.)

The sick fund is also criticized for failing "to adopt measures which would reveal the true number of those insured by it." Total membership is 123,000 persons (48,000 households), according to figures provided by the sick fund itself. There are also another 20,000 persons insured who do not use the sick fund's services.

The organization has 50 branches and employs 128 doctors in its clinics. It also uses the services of 365 "independent" doctors: that is, physicians who treat fund members in their private offices.

Most of the membership is located in the large cities and towns. In small towns, like Ramle, for example, the report notes that a full-time doctor is kept on duty in the clinic all day, "to treat only five to 10 patients a day." Other clinics are also overstaffed for the work they perform, and in some places the "medical aid offered is very limited."

Perhaps the sloppiest run facility is that dealing with prescriptions and drugs, the report states. Some prescriptions are not signed by a doctor at all, yet are honoured by the sick fund's pharmacies.

Pharmacies also honour prescriptions made out by nurses who use the doctor's official stamp. Sometimes pharmacists help patients by writing prescriptions themselves.

Doctors themselves sometimes prescribe "more expensive" drugs for themselves, or for their families, than they do for their patients, the report states. Other doctors were found to write prescriptions for private pharmacies, although the drugs were available in Kupat Holim Meuhedet pharmacies.

Histadrut asks more aid for Kupat Holim

Jerusalem Post Reporter

TEL AVIV. — The Histadrut Central Committee yesterday asked the government to double its contribution to Kupat Holim for the 1981/82 fiscal year.

At present, the government is providing 9.8 per cent of the total budget, and the Histadrut wants this raised to 20 per cent.

The government should provide at least 19.5 per cent of the 1982/83 budget, the committee added.

Yeroham Meshel, secretary-general of the labour federation, pointed out that 77.3 per cent of the population of Israel, or 3,070,000 persons, receive medical care through Kupat Holim.

Professor Haim Doron, medical director of the sick fund, said the government's annual contribution in the 1976-1980 period was 28 per cent, but in 1980/81 the government cut its contribution to 13.7 per cent.

"The result is that despite our huge efficiency drive, we now have a debt of IS19.6 billion," Doron said.

Avitan to be extradited home Wednesday

Jerusalem Post Reporter

TEL AVIV. — Herzl Avitan, the escaped convict suspected of slaying Ramle detention centre warden Roni Nitzan, is to be extradited from France on Wednesday, police Inspector-General Rav-Nitzav Arye Ivtzan said yesterday.

"He will be brought home and returned to the prison authorities and I suppose he will be tried afterwards after an indictment is prepared." Ivtzan said in a radio interview.

Avitan was apprehended February 21 in a Paris hotel by French detectives working with two Israeli police officers who arrived in France a few days earlier with information about the fugitive's whereabouts.

Avitan is suspected of having fired 22 bullets into Nitzan's body during a morning ambush last December in Rishon Lezion. The apparent motive for the murder, which police believe he committed together with fugitive Ya'acov Shemesh, was Nitzan's order that they be administered enemas during a search for drugs while they were at the detention centre.

Avitan and Shemesh also allegedly robbed the Keren Or jewelry factory in Ramat Gan last January. It was Avitan, police have said, who fatally shot factory guard David Ashuri, 58. Investigators believe Avitan robbed the factory to finance his escape abroad.

The arrest in Paris came five months after Avitan gave Ramle prison guards the slip while on a furlough from a 15-year term for bank robbery to visit his ailing father.

During his stint in a Paris prison, Avitan unsuccessfully tried to escape.

Shemesh is still at large following his escape last October from the Abu Kabir lockup.

Ivtzan said two Israeli police detectives are now in the French capital and will accompany Avitan home Wednesday.

Eli Landau named chairman of Shekem

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — Eli Landau, personal aide to defence minister Ariel Sharon, yesterday was unanimously elected chairman of the board of Shekem. He takes over from Arieh Sarig who held the post for the last 15 years.

Shekem is a government marketing company, operating canteens, mobile canteens and stores for the defence establishment and their families. The board of directors includes representatives of the ministries of Defence and Finance, IDF, police representatives, and public figures appointed by the ministers of defence and finance.

Landau, a former journalist and publisher, has been an assistant to Sharon since 1977 when Sharon was minister of agriculture. Landau is on the list of the Likud as a possible Knesset member.

Landau was nominated yesterday for the job, by the managing director of the government Companies Authority, Azriel Waldman.

The board also paid tribute to Sarig, who in addition to his Shekem post, had been for 31 years a deputy director-general of the defence ministry until he went on pension.

New idea—sell gov't firms to pay for war

Jerusalem Post Reporter

TEL AVIV. — Physician-politician Prof. Ezra Sohar has come up with a plan on how to pay for the over $1 billion estimated cost of the war in Lebanon without raising taxes.

Sohar's idea is to sell off government-owned companies, such as Israel Railways, El Al, Israel Aircraft Industries, the Electric Corporation and Israel Chemicals. Quoting from newspapers, Sohar claims there are buyers for all the companies.

At a press conference at Beit Sokolow yesterday, Sohar claimed that the government's plan to levy more taxes would ruin the economy instead of reviving it. "This will cause a brain drain of people leaving the country, and a financial drain with investors and local businessmen taking their money to other countries," he said.

Sohar believes that his plan, which can be implemented gradually, can revive the economy. He believes that by selling certain percentages of government companies, these will become more efficient, and the economy will benefit.

He pointed out that the Likud has promised it would do away with most government-owned companies, but said it had not done so, because the Likud learned what previous governments had: that these companies give them power and an opportunity to give out jobs.

Sohar's party, Atzmaut, failed to win a seat in the last Knesset elections.

Patt: Soviets offered Cuban help to PLO

Jerusalem Post Correspondent

LONDON. — Israel's Industry and Trade Minister Gideon Patt has revealed documented details of Soviet plans to use Cuban troops to help the Palestinian terrorists.

In an exclusive interview published yesterday in the *Observer*, Patt reported that the documents included minutes of a Kremlin meeting between Foreign Minister Andrei Gromyko and PLO leader Yasser Arafat on November 13, 1979. At the meeting, according to Patt, Boris Ponamarev, head of the Soviet central committee's international department, stated: "We can always call on our Cuban friends and they will have a role to play in what you are doing in Lebanon."

Among other captured PLO documents which Patt showed the *Observer* was a plan for the PLO to capture the Galilee and set up an independent state there.

Patt was visiting London when he was interviewed.

Lebanon war on agenda today for EEC ministers

BRUSSELS (Reuter). — European Community foreign ministers meet today to assess the impact on the Middle East of the Lebanese crisis and the war between Iran and Iraq.

During their two-day session they will also review transatlantic relations, soured by trade frictions over alleged subsidies for European steel exports and a U.S. ban on technology for the planned Soviet gas pipeline.

The ministers will hear a report from West German Foreign Minister Hans-Dietrich Genscher on his recent visits to Amman and Cairo.

Genscher has indicated that the community could try to persuade the U.S. to end its opposition to direct talks with the PLO, judging it important that the Arab world and the West do not become alienated over the crisis in West Beirut.

Four suspects held in Ramle slaying

Jerusalem Post Reporter

RAMLE. — Police early yesterday arrested four suspects in connection with the slaying of 27-year-old Zion Abadi, a police spokesman said.

Abadi was shot in the chest at 3.40 a.m. yesterday while playing cards in a cafe in the Joarish neighbourhood here. He died on the way to Assaf Harofe Hospital, the spokesman said.

Witnesses told investigators that a masked man burst into the cafe, shouted "this is a robbery" and shot Abadi in the ensuing melee.

Police followed footprints leading away from the cafe to an apartment nearby and arrested four suspects, the spokesman said.

AIR QUALITY. — The onset of summer showed a significant improvement in air quality throughout the country, with less sulfur dioxide, dust and ozone in the air than in May.



While growing up in his native Lebanon, Eli Hayab often wished for peace so he could study dance in Israel. Yesterday he finally arrived — as a member of the Paul Taylor Dance Company from the U.S. The company performed in Kibbutz Ein Hashofet last night. They will be dancing in Haifa tonight, in Jerusalem tomorrow night and Wednesday and in Tel Aviv for four performances starting on Saturday. (Brunner)

Departures in June decrease

Jerusalem Post Economic Reporter

In the first half of 1982, a total of 256,200 Israelis left the country for abroad, a 14 per cent increase over the 224,400 residents who left during the same period last year.

But during June, 46,000 residents left, a decrease of 16 per cent from the 55,600 who left in June 1981. In the period prior to June there was a 24 per cent increase in the number of residents who left the country as opposed to last year.

These figures do not include the residents of East Jerusalem who left via the Jordan bridges.

Between January and June 1982, the number of residents who returned was 237,000, an 18 per cent increase over last year.

The balance of 19,200 in favour of those leaving the country indicates a yerida. In the first half of 1981, there was a balance of 23,700 residents leaving the country.

These figures were provided by the Central Bureau of Statistics.

Kfar Hamaccabiah lead men's bowls league

Post Sports Reporter

TEL AVIV. — Kfar Hamaccabiah are leading the men's premier lawn bowls league, and Ramat Gan the corresponding women's event, as the Israel Bowls Association's seventh season approaches the halfway mark.

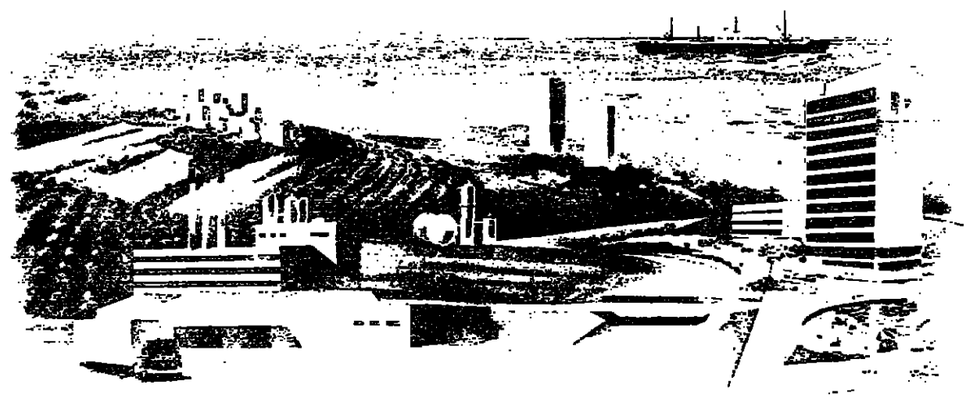
In the Second (Pennant) Division, Ramat Gan head the men's table, while Ra'anana and Savyon are joint-leaders of the women's section.

A record total of nearly 35 teams are participating in the whole double round-robin competition. All are in the fours category.

Following men's Premier League matches played last weekend, Kfar Hamaccabiah have 16 points from their six games, four more than defending champions Ra'anana. Third and Fourth places are occupied by Ramat Gan and Savyon, with 11 and nine points respectively.

Ramat Gan have a 100 per cent record so far in the women's top division, Ra'anana are in second spot, followed in turn by title-holders Kfar Hamaccabiah, Caesarea and Savyon.

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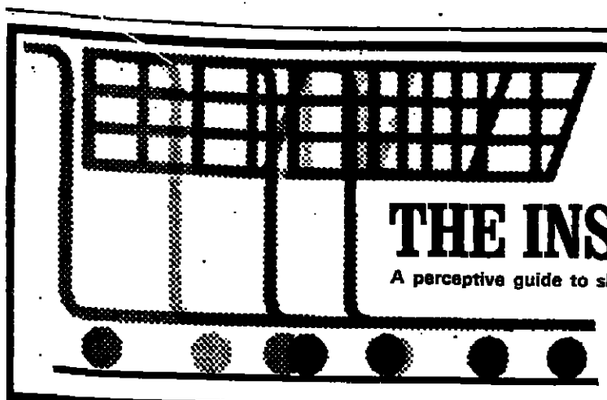
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THE INSIDE TRACK

A perceptive guide to shopping and services in Jerusalem

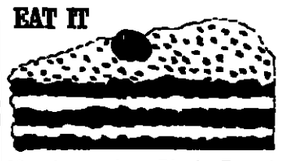
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NOW MORE THAN EVER, GIVE SOLDIERS 'TREMPS'

Fierce fight for Ogaden highway

NAIROBI (UPI). — Anti-Somali rebels said yesterday their forces have killed 220 Somali government troops and wounded another 500 in a fierce battle for control of the Belet Huen highway, the only tarred road linking the capital Mogadishu with the Ogaden border region.

The Somali government has denied the rebel claims and said the 9,000-man Ethiopian, Cuban, East German, Soviet and rebel invasion force has been driven back across the Ogaden into Ethiopia.

Radio Kulmis, the voice of the Democratic Somali Salvation Front guerrillas, said in a broadcast from Ethiopia, monitored in Nairobi, that its forces were locked in fierce combat with Somali troops for the Belet Huen highway, a 300-kilometre stretch that serves as the main north-south supply link for Somali troops.

The rebels have put their own losses at less than 10 men.

However, in a victory speech Friday, Somali President Siad Barre said the border area with Ethiopia was now secure and that Somali troops had inflicted "a humiliating defeat" on the remnants of the combined invasion force.

The Soviet news agency Tass said in a dispatch to the Kenyan news agency that Moscow supported the rebels and ridiculed Somali claims that Soviet, Cuban and East German soldiers spearheaded the 17-day-old invasion.

Tass said in the first official Soviet comment on the Horn of African conflict, that Somalia made the claims in an attempt to drag the U.S. into the war on its side.

"The Democratic Somali Salvation Front enjoys nationwide support and raised the Somali people for armed struggle against the corrupt neo-colonialist Mogadishu regime which gave the American military complete control over the country," Tass said.

Radio Kulmis has warned the U.S. to stay away from the current conflict or face what it termed dire consequences when the war was over.

Somalia turned to the U.S. for military and economic assistance when the Soviet Union dropped Somalia in favour of its bitter enemy, Ethiopia, during the undeclared Ogaden war in 1977.

The U.S. State Department has expressed concern over the latest round of fighting in the Ogaden but has yet to act on Somalia's request for emergency military and economic aid.

Uganda troops hit rebel bases

KAMPALA, Uganda (UPI). — Government troops overran three major guerrilla bases on the outskirts of Kampala in a series of successful raids aimed at breaking the back of anti-government resistance in Uganda, the government *Sunday Times newspaper said yesterday.*

The report said two guerrillas were captured along with a large quantity of weapons, food and communications equipment at the three camps in the Mpigi district 40 kilometres southwest of Kampala.

The report said that the fleeing guerrillas executed six civilians whose bodies were found by government troops inside the camps.

The Defence Ministry said it appeared the guerrillas had been tipped off and managed to escape before the raids were launched.

The ministry said that the camps could accommodate up to 2,000 guerrillas and were run by the Ugandan Freedom Movement headed by Andrew Lutakome Kayiira, currently in exile.

The rebels had mined all the entrances to the camps, which were comprised of 400 huts, plus supply warehouses and dining halls.

7 believed dead in London casino firebombing

LONDON (UPI). — A suspected illegal Chinese gambling club under a supermarket in central London was hit by a gasoline bomb early yesterday and Scotland Yard said it had reports of up to seven people killed.

Two explosions ripped through the three-storey building in the Soho district, engulfing it in flames that blazed until after dawn and preventing rescue attempts, a Scotland Yard spokesman said.

At least two policemen were seriously injured in the second explosion, believed caused by flames reaching the gas supply. Firemen who brought out a dead Chinese male believed there were at least six others inside, making a total of seven dead, the spokesman said.

Israeli pavilion in Venice bombed

VENICE (Reuter). — A bomb exploded in front of the Israeli pavilion at the Biennale Festival early yesterday causing light damage but no injuries, police said.

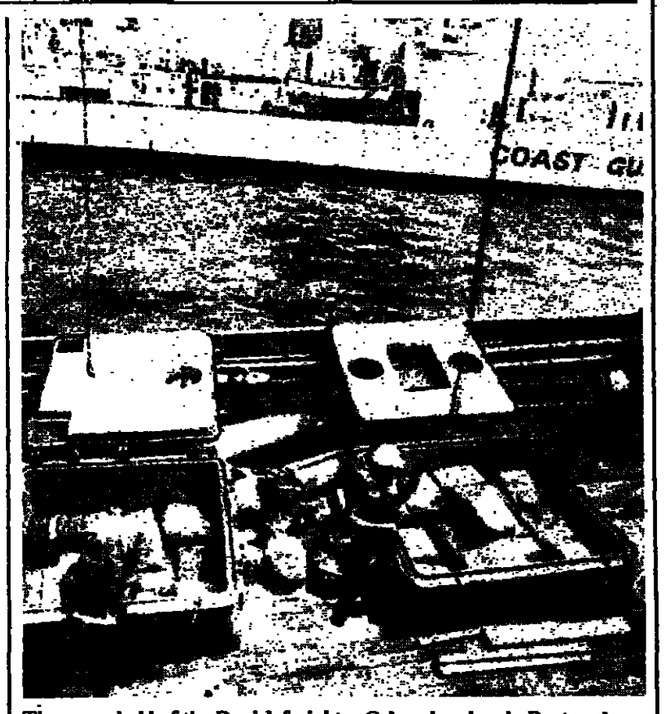
The blast smashed the pavilion's door and damaged two paintings.

The damage was not discovered until later as the sound of the explosion was probably covered by the noise of nearby fireworks, police said.

Pope offers prayer for war victims

CASTEL GANDOLFO, Italy (UPI). — In an address from his summer retreat south of Rome yesterday, Pope John Paul II offered a prayer for the victims of the Iran-Iraq war and of the siege of Beirut.

"We think of the numerous victims of the conflict between Iran and Iraq... (and) the suffering of the population of Beirut, besieged for several weeks, under frequent bombardments and deprived of necessities," he told the 3,000 persons who filled the retreat's courtyard.



The cargo hold of the Danish freighter Grimurkamban in Boston shows bales of marijuana being guarded by Coast Guardsmen. Officials say there were about 60 tons of marijuana valued at $60m. in the ship which was seized off Cape Cod on Friday. (UPI telephoto)

UK railway strike is over

LONDON (Reuter). — Britain's train drivers yesterday called off their strike, which had crippled the country's rail network for two weeks.

Ray Buckton, leader of the Associated Society of Locomotive Engineers and Firemen (ASLEF), told a news conference that the stoppage would end at midnight last night. He said the strike could not succeed without the support of the whole trade union movement and this support was not forthcoming.

ASLEF's decision to call off the strike was a clear victory for British Rail. It came the day after Britain's Trade Union Congress (TUC) made it clear that the strike, which was called in protest against the introduction of more flexible work rosters, did not have general support.

On Saturday, British Rail accepted a peace formula proposed by the TUC, according to which ASLEF would have to accept the principle of the new rosters.

Turkish unions flay new constitution

ANKARA (AP). — The draft of a new Turkish constitution yesterday drew criticism from a union leader who said it "will spell the end of labour union movement in Turkey."

Sevket Yilmaz, president of Turkey's largest labour confederation, also expressed hope that articles of the draft concerning labour rights would be amended.

A first draft prepared by a 15-member commission was made public on Saturday. The constitution goes into force after the Consultative Assembly and the National Security Council debate and approve it and then submit it to a national referendum in November.

In the draft, labour unions are banned from all political activity, including affiliation with political parties. Workers are granted the right to strike, but employers have the right to lockout which they were denied under the previous 1961 constitution.

Soviets jail peace activists

MOSCOW (UPI). — Two unofficial peace activists have been sentenced to 15 days in jail during the first visit to the Soviet Union of western peace demonstrators, a peace committee member said yesterday.

Yuri Medvedkov and Yuri Khronopoulo were arrested on Friday, and were tried and jailed for "hooliganism," or disturbing the peace, said Olga Medvedkova.

The Medvedkovs and Khronopoulo are members of an 11-person non-official peace committee which has been harassed by Soviet authorities since its founding in May.

Meanwhile, 200 Scandinavians and some 100 Soviet women were in Leningrad yesterday. Their route of march, as well as the banners they carry, were approved in advance by the Soviet government. The number of foreigners was limited to 200.

Their demonstrations for peace and against nuclear war will take them to Moscow, Minsk, Kalinin and Smolensk. They are the first western anti-war group allowed to demonstrate in the Soviet Union.

Mrs. Medvedkova claimed the arrest of her husband and colleague was meant to prevent them from meeting with the Scandinavians.

SOCIALISTS. — Greek Premier Andreas Papandreou will go to Rome on September 11 to participate in a two-day meeting of Socialist Party leaders of the Mediterranean countries, the premiers office announced yesterday in Athens.

OAU. — The proposed "mini-summit" of the Organization of African Unity (OAU) called to head off a possible crippling split in the organization over the acceptance of the Polisario guerrilla front as a full fledged member has been cancelled.

New Lenin play hints at changing Soviet view

MOSCOW (AP). — The most important role on the Soviet stage is not Hamlet or his Russian equivalent. It is Vladimir Ilyich Lenin, the founder of Bolshevism and still the Soviet Union's greatest hero, 58 years after his death.

The most important play in Soviet theatres this year is *Tak Pobedim* (Thus We Will Win), which, according to Russian sources, signals shifting Soviet perception of the post-revolutionary period and may contain hints on Kremlin skirmishing on who will succeed ailing Soviet President Leonid Brezhnev.

Significantly, *Tak Pobedim* deals with the controversial struggle to follow Lenin. It has played to a packed house of select Communist Party and government officials since it opened at the Moscow Art Theatre in late January. Brezhnev, who rarely visits the theatre, stirred further interest in the play when he and most of his Politburo colleagues attended in March.

Western diplomats and correspondents managing to obtain rare tickets to the play were divided on its significance, some describing it as "run-of-the-mill."

Most, however, were struck by its historical approach to relations between Lenin and his lieutenants, including Joseph Stalin, Lev Trotsky and Nikolai Bukharin. Stalin is mentioned rarely in the Soviet Union, Trotsky is reviled and Bukharin is a "non-person" with no entry in the authoritative Great Soviet Encyclopedia. Merely to mention the three is important, and the play covers new ground by casting them as characters.

By depicting Lenin as critical of Stalin and open to economic innovations, the play suggests a movement for liberalization and reform. Western diplomats who back this interpretation of the play, however, also say they have seen little in Soviet policy to indicate change.

Playwright Mikhail Shatrov and director Oleg Efremov use flashbacks to portray Lenin during the major events after the 1917 Revolution, breaking tradition by dwelling on his moments of doubt, reflection and even confusion.

Sports

Watson wins his 4th UK golf crown

TROON, Scotland (UPI). — Favoured Tom Watson completed a rare double in winning his fourth British Open golf championship by one shot yesterday when rank outsider Nick Price of South Africa missed a six-foot putt on the 17th hole.

Watson, who had finished half an hour before Price, became only the fifth man to win both the U.S. and British Opens in the same year, and the first to do so since Lee Trevino in 1971. His win yesterday was worth $57,600.

One month ago he won his first U.S. Open, also by a single stroke, from Jack Nicklaus.

Watson also is only the second American, following Walter Hagen, to win the British championship four times. All his victories have come in Scotland.

Clampett, the leader for the first three rounds, fell out of contention early with five bogeys on the front nine and he finished with a 77 for 288, where he was tied with Jack Nichklaus. At one point on Saturday, Clampett had led the field by seven shots.

Lauda captures accident-prone UK grand prix

BRANDS HATCH, England (UPI). — Austrian Niki Lauda won the British Formula One Grand Prix yesterday, driving his McLaren to a comfortable victory in glorious sunshine after leading the 76-lap race from the 10th lap.

He finished well ahead of Frenchman Didier Pironi, who piloted his Ferrari into second place just ahead of teammate and compatriot Patrick Tambay in another Ferrari, who stole third spot from the Lotus of Italian Elio de Angelis on the last lap.

The race got off to a dramatic start when the Brabham-BMW of Italian Riccardo Patrese stalled on the start line and was struck by Frenchman Rene Arnoux's Renault. Debris from the crash hit Teo Fabi's Toleman and put the Italian also out.

Britain's John Watson was forced out early on after his McLaren was involved in a collision with Brazilian Chico Serra's Ferrari and the Osella of France's Jean-Pierre Jarier. None of the drivers was hurt.

Krishnan upsets Mayer in 4 sets

STUTTGART. — Unseeded Ramesh Krishnan of India won the $75,000 grand prix tennis tournament, surprising top-seeded Sandy Mayer 5-7, 6-3, 6-3, 7-6 in the final yesterday.

The 21-year-old Krishnan collected $14,200.

Krishnan and Mayer, 30, battled for 2¼ hours before Krishnan's consistent backhand enabled him to win a tie-breaker in the final set 8-6. A crowd of 3,200 watched the final match of the week-long tournament.

Krishnan won the junior Wimbledon tournament in 1979.

In the doubles final, Mark Edmondson, Australia, and Brian Teacher, U.S., outclassed Andreas Maurer and Wolfgang Popp, West Germany 6-3, 6-1.

- In the semi-finals of the Swedish Open championships in Bastad, Mats Wilander defeated Gustavo Tiberti, Argentina, 7-6 (7-2), 6-3, and another Swede, Henrik Sundstroem, beat countryman Thomas Hogstedt 6-2, 6-4.
- Jose Luis Clerc of Argentina bested Heinz Guenthardt of Switzerland 6-0, 3-6, 6-2, 6-1 to win the World championship tournament in Zell am See, Austria, yesterday. (UPI, AP)

Israel's tennis champion Shlomo Glickstein was edged out 6-0, 4-6, 6-7 by Australian David Carter last week in the first round of the tournament. He also lost in the early rounds of the doubles in partnership with America's Nick Saviano. The pair were beaten 6-3, 7-6 by Heinz Guenthardt, of Switzerland, and Hungarian Balazs Taroczy.

By a quirk of fate, Glickstein had lost to Taroczy in Budapest a few days earlier in their Davis Cup singles encounter.

Pakistan asked to aid U.S. in field hockey

KARACHI. (AP). — The U.S. (field) Hockey Association has asked Pakistan to help prepare American players for participation in the 1984 summer Olympic Games in Los Angeles, Air Marshal Nur Khan, president of the Pakistan Hockey Federation, said Saturday night.

Khan said the U.S. will enter the hockey competition for the first time in the Los Angeles games.

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WEEKLY REVIEW

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A Team Player

Reagan-Shultz Axis Ready to Roll

By LESLIE H. GELB

WASHINGTON

FROM the outset, the foreign policy of the Reagan Administration was driven by powerful ideological views and pent-up political forces, by people who felt that the overriding need was to blunt the Soviet challenge. Everything else — arms control, relations with allies, improving ties with developing countries — had to be subordinated to this end. Former Secretary of State Alexander M. Haig Jr. acted as if the only way to halt or derail this locomotive was by throwing his body on the tracks in front of it, frequently in public view. More often than not, the tactic worked, until he overplayed his hand. In a way, his weaknesses, his insecurities and assertiveness, translated into bureaucratic strength.

One of the questions being asked about the new Secretary of State, George P. Shultz, is whether his personal strengths, nonconfrontational style and willingness to be a team player will result in bureaucratic weakness. In a recent editorial, The Wall Street Journal remarked: "The main fault we found during Mr. Shultz's five and a half years with President Nixon was that he did not defend his own principles strongly enough. A long-standing foe of economic intervention, he stayed on when Mr. Nixon in August 1971 launched a disastrous policy of wage and price control. He did not even flinch when Mr. Nixon made him Secretary of the Treasury and handed him the impossible tasks of trying to make the wage-price policy work. . . ." The editorial continued in the vein of what a number of White House officials were saying privately last week, arguing that there would not be a problem since Mr. Shultz and President Reagan agree on almost everything.

But conservative supporters of the President had a follow-up question: Even if Mr. Shultz and Mr. Reagan agree on practically everything now, what will happen once the new Secretary is enmeshed in the daily workings and perspectives of the State Department? Having to deal with and understand the interests and concerns of other countries day in and out has turned the heads of almost every recent Secretary and led to difficulties with the White House.

To many in the diplomatic community here and to the editors of The Economist, the London-based weekly, the key question was whether Mr. Shultz had arrived too late to make much of a difference in any direction. An editorial in The Economist stated that Mr. Shultz might have "corked into a Reaganite bottle all that somewhat overripe, right-wing fruit which had been grafted by Mr. Reagan's kitchen Cabinet on to the lower branches of his Administration. Now, 18 months on, the berries are off the tree and bubbling in the vat, and corking them might compound the impression of a Washington ready to explode."

Many of these questions seem too portentous, and the answers too pat, but they are the stuff that fills the present vacuum of uncertainty. It is simply not clear, for example, whether Mr. Haig often succeeded because Mr. Reagan feared to run over him or because Mr. Haig's arguments gave him pause. What is clear is that the President tired of the struggle. Even after his resignation, when Mr. Haig was trying to run the Lebanon crisis from a resort in southern Virginia, Administration officials said the former NATO commander bristled when he saw that the telegrams he had approved for dispatch to special envoy Philip C. Habib were being signed by Deputy Secretary Walter J. Stoessel as Acting Secretary of State. Mr. Haig complained, Mr. Shultz got wind of it and asked Mr. Reagan to cut the knot with Mr. Haig, which the President did.

Personnel Changes Ahead

By all accounts, Mr. Shultz is quite capable of having a fight, but without rancor and far from public view. As one who observed him at close quarters in the Nixon Administration put it: "Somehow authority flows toward him, so he doesn't need to throw his body in the way."

For all Mr. Reagan's happy anticipation last week to "having George with us as a member of the team," a certain level of institutional tension between the State Department bureaucracy and the "politicians" in the White House is inevitable. This can be managed somewhat by personnel changes — removing those high State Department officials who have run afoul of White House counterparts and replacing them with people less likely to turn differences into battles. People who claim to know said that Mr. Shultz will do that within the next 60 days.

The conflict with the White House can also be muted simply by not painting decisions that go against the State Department as "losses," as Mr. Haig was wont to do. According to one of these sources, "You won't know when George wins or loses."

With all that Mr. Shultz has going for him, the question has arisen several times why he was not offered the position in the first place. The answer, according to two people familiar with the circumstances, was that someone in the Reagan inner circle told the President that Mr. Shultz was not interested in being Secretary of State, when in fact he was.

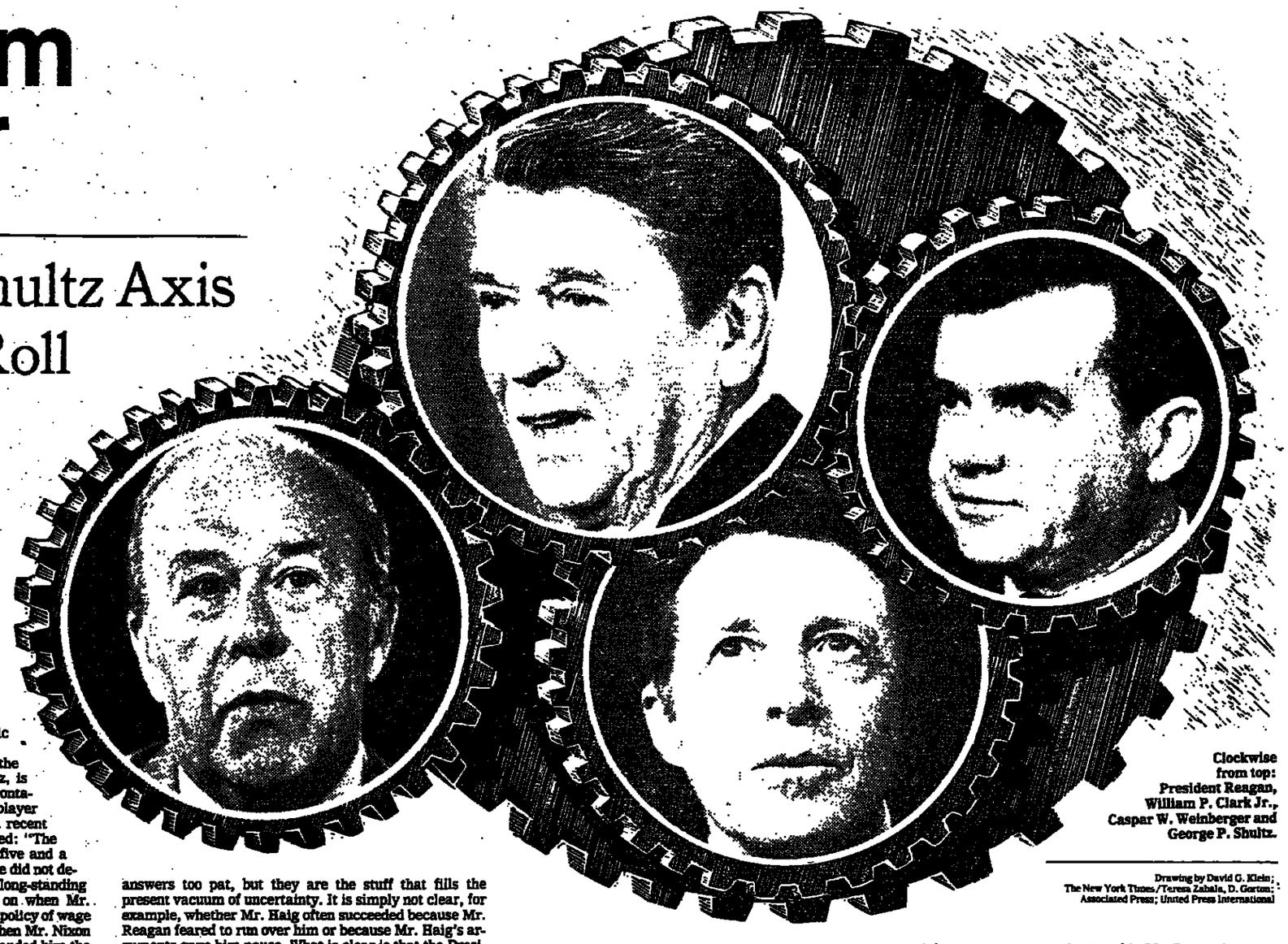
For some time, it will be difficult to gauge the new bureaucratic balance of power. Only Defense Secretary Caspar W. Weinberger remains of the original big three — before Mr. Haig, Richard V. Allen departed and was replaced as national security adviser by William P. Clark. On the surface, it would seem that Mr. Weinberger would gain in influence. But by all accounts, the real powerhouse now is Mr. Clark — not because of his knowledge, but because of his unquestioned loyalty to Mr. Reagan and the President's expressed desire to be seen as clearly in charge of foreign policy. For almost two months now, the White House has been conducting a campaign to show that the President is deeply involved in these issues and is making the decisions himself.

This is borne out by what many Administration officials see as a conservative trend in Mr. Reagan's recent moves, reflecting a stronger desire to live up to campaign rhetoric in foreign policy. His decision to ban the sale of oil and gas equipment to the Soviet Union not only by American companies but by West European companies producing under license was a case in point. His approval last week of the sale of new jet fighters for Taiwan at the risk of embittering relations with China is another.

A move to improve relations with the Palestine Liberation Organization and Arab states on the ground that the Arabs are more important than Israel in the struggle against Moscow would be contrary to campaign rhetoric, but it would also underline a certain conservative trend. Mr. Shultz, in his testimony before the Senate Foreign Relations Committee last week, made clear that he either agrees with these courses of action or is prepared to go along with them.

White House officials have contended all along that Mr. Reagan has his own, internally consistent views about the world and what to do with American power. They decried the lack of consistency in Carter Administration policy and have bemoaned their own lack of consistency for the last year and a half. The reason for that inconsistency, they say, was Mr. Haig and now he is gone.

If the Reagan Administration is, in fact, about to embark on a consistent foreign policy, it will be in a rightward direction. Two things can change that — failure or Mr. Shultz.



Clockwise from top: President Reagan, William P. Clark Jr., Caspar W. Weinberger and George P. Shultz.

Drawing by David G. Klein; The New York Times/Teresa Zabala, D. Gorton; Associated Press; United Press International

Major News

In Summary

From Beirut to Basra, Arabs Squeezed Hard

Arab governments, divided and nearly paralyzed over the Israeli invasion of Lebanon, were plunged into new trauma last week as 50,000 Iranian troops drove across the Iraqi frontier. High anxiety swept the Persian Gulf oilfields, from neighboring Kuwait to Saudi Arabia, where United States electronic surveillance planes pooled their observations with satellite pictures to penetrate the haze of rhetoric obscuring the conflict. Baghdad claimed it was "cleansing the soil" of the forces of "the Khomeini clique." Teheran claimed Iraq's "Baathist, Zionist aggressors were forced to retreat." Neither side let reporters near the front where the fighting, mostly near Iraq's oil refinery port of Basra, was said to be furious.

Iran, which called its offensive Operation Ramadan, after the Moslem month of fasting, was reportedly massing troops for a flanking attack. But after the first days of fighting, the two sides appeared stalemated. Iran said it was dropping its demand for the ouster of Iraqi strongman Saddam Hussein, but the object of the invasion apparently was to inflict a humiliating military defeat that might topple him anyway.

Gulf countries, hoping to smother Iranian encouragement for Islamic fundamentalist uprisings, had invested more than $20 billion to help bankroll Iraq's 20-month drive into Iran, which finally fizzled with Iraqi withdrawal last month. Washington was concerned about the potential for unrest in the Gulf, where Iran's appeal to Shiite Moslem militancy posed a threat to moderate Sunni Moslem regimes. But lacking diplomatic leverage with either Iran or Iraq, the United States could only remain neutral and send indirect messages through Saudi Arabia and other third parties. A State Department official lamented "one of the few conflicts where we don't have an ally or at least a friend we can lean on."

Egyptian President Hosni Mubarak, who has aided Iraq with weapons worth several hundred million dollars, called for a meeting of Arab leaders to try to coordinate policy on the Iranian attack and Israel's invasion of Lebanon. King Hussein of Jordan made a similar appeal. But Tunisian President Habib Bourguiba recently had to cancel an Arab League emergency meeting because only 12 of the 21 members agreed to come.



Iranian soldier standing on rubble in Ilam following Iraqi air attack.

Teheran, spurning cease-fire appeals by the United Nations and friendly Islamic countries, broadcast exhortions by Ayatollah Ruhollah Khomeini to "liberate" Baghdad as a way station on "the path to the freedom of Jerusalem." Iran was the only Moslem country to send volunteers last month to help defend Syria and the besieged Palestine Liberation Organization.

But Israel, which earlier had sold spare parts to Iran as the enemy of its enemy, Iraq, claimed to see at least short-term advantages in the latest fighting. Jerusalem welcomed any weakening of Saddam Hussein, an implacable foe, and it hoped that a setback for Iraq might provide an opening that could bring neighboring Jordan, a staunch supporter of Baghdad, into the Palestinian autonomy talks and the stymied Camp David peace process.

And a Nice Time Was Had by All

Crisis in the Middle East and George P. Shultz's considerable personal and political skills combined last week to make him a shoo-in as Secretary of State. President Reagan's designated successor to Alexander M. Haig Jr. waltzed through confirmation proceedings, receiving unanimous approval from the Senate Foreign Relations Committee and full Senate in three days. The next day, he was in Rose Garden taking the oath of office from the Attorney General and hearing the President declare, "George, welcome to the team." Mr. Shultz replied that he looked forward to the opportunity to "do something wonderful."

Mr. Reagan's anticipation that Mr. Shultz would contribute to a more harmonious foreign policy was borne out by his nominee's handling of the Foreign Relations Committee. Where Mr. Haig had bristled and squabbled with the senators, Mr. Shultz appeared more calm than many of the spectators, as befits a Washington pro who held three Cabinet posts in the Nixon Administration. Mr. Shultz resigned as Treasury Secretary in 1974.

His next job — with the Bechtel Group — was potentially controversial because of the giant construction and engineering company's lucrative contracts with Saudi Arabia and other Arab countries. But Mr. Shultz's declaration that his ties with Bechtel would have no effect on his actions as Secretary got an unexpected endorsement from a Democrat, Paul E. Tsongas. The Massachusetts Senator said his father-in-law and brother-in-law both had worked for Bechtel and that it was "a remarkable company" without any particular political orientation.

Supporters of Israel were concerned about the new Secretary's views on the Middle East; he went further than any Administration member in expressing sympathy for the plight of Palestinians. While reaffirming "the depth and durability of America's commitment to the security of Israel," he said the Lebanese crisis had made it "painfully and totally clear" that the "legitimate needs and problems of the Palestinian people must be addressed and resolved — urgently and in all their dimensions." Yesterday, the Secretary met with Israeli Ambassador Moshe Arens to again reaffirm Israeli-American security ties and he reviewed peace prospects with former Secretary of State Henry A. Kissinger, San Francisco banker Lawrence H. Silberman, Irving S. Shapiro, former Du Pont chief executive, and others on the Middle East.

On other issues, Mr. Shultz echoed White House policy, informing Senator Barry Goldwater, Republican of Arizona, there would be no halt in American arms sales to Taiwan, a dispute over which Peking has threatened to downgrade relations. The Administration last week told China it will proceed with co-production in Taiwan of F-5E jet fighters.

Another matter likely to come to a head soon is the Administration's economic sanctions against Poland and the Soviet Union, recently extended to American subsidaries and licensees in Western Europe. The West German Chancellor, Helmut Schmidt, an old buddy of Mr. Shultz from their days as finance ministers, plans to visit him in California this week. He will presumably try to persuade Mr. Shultz to assume Mr. Haig's mantle as defender of allied interests within the Administration. That could be hard for a team player to do.

Military Defeat, Political Gain

Yasir Arafat's Palestinians, down but still far from out in west Beirut, managed last week to transform military disaster and a month-long siege into a political offensive. While the Israelis waited to give American diplomacy a chance to negotiate a Palestinian exit from Lebanon, the Palestine Liberation Organization worked on improving its long-range bargaining position.

A P.L.O. senior official, Issam Sartawi, said in Paris that the organization was now ready to recognize Israel "on a reciprocal basis" and called on the United States to recognize the P.L.O. The demand for recognition by all was taken up by Egyptian President Hosni Mubarak and endorsed by West German Foreign Minister Hans-Dietrich Genscher in Cairo who argued, "It is now necessary to give the Palestinians a sign of hope." Washington, while avoiding outright rejection, questioned Mr. Sartawi's credentials. "Whom does he represent?" asked a State Department official.

Palestinian departure plans have been blocked by the refusal of Arab countries, notably Syria, to accept the 6,000 soldiers and their families. President Reagan wrote King Fahd of Saudi Arabia asking help; the Saudi and Syrian foreign ministers were due in Washington this week to discuss solutions with Mr. Reagan. Syria was believed still open to accepting Palestinians, if the price (presumably to be paid in Saudi petrodollars) was right.

Which way out? Mr. Arafat suggested a temporary P.L.O. move from Beirut to northern and eastern Lebanon — Tripoli, Baalbek, the Bekaa valley — under Syrian army control, but Israel said no. "We want them out of Beirut and out of Lebanon," said an official in Jerusalem. *(Christian militias poised to take over, page 2).*

The Administration also told Congress last week that Israel may have violated agreements limiting United States weapons to defensive uses. Senator Charles H. Percy, chairman of the Foreign Relations Committee, and other Congressional critics said United States-Israeli relations had reached new lows, but no serious move for Congressional punishment was considered likely.

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Trigger fingers and debate on nuclear strategy 4



People with people in mind.

bank leumi בנק לאומי

The World

In Summary

A Breakthrough More Political Than Scholarly?

Two weeks after the Reagan Administration lowered the boom on allies' use of American equipment and technology to build the new Soviet natural gas pipeline to Western Europe, the Commerce Department published excerpts from a study reporting that the Soviet Union was more dependent on foreign trade than previously thought.

The study, based mainly on a new way of evaluating Soviet prices, asserted that the ratio of Soviet foreign trade to national income had doubled in the 1970's to 27 percent and could reach 33 percent this year. "The new analysis shows that the Soviet Union is more open to the influences of international market forces than many people have believed," said Bruce Chapman, director of the department's Census Bureau, which prepared the study. "That in turn suggests greater Soviet vulnerability to economic sanctions than has been understood up to now."

The decision to publish the excerpts last week was "a coincidence more than anything else," a Commerce Department spokesman said. (The full study is due out in the fall.) But some outside specialists found the timing and Mr. Chapman's conclusions heavily political. "That's a heroic leap in logic," said John P. Hardt, associate director of the Congressional Research Service, challenging the link between increased Soviet trade and the potential effectiveness of sanctions. "You don't exercise leverage through a ratio," added Edward A. Hewett of the Brookings Institution.

One acknowedged limit to leverage was that nearly half the Soviet Union's imports come from within the Communist bloc. Another (unacknowledged) limit is closer to home — political pressure on the Reagan Administration to continue grain sales to the Soviet Union at a time of farm depression here and another dismal harvest there.

President Reagan discussed with Cabinet members last week extending the Soviet grain deal that expires in September. American farmers are clamoring for a new multiyear agreement that would raise minimum purchases required of the Russians. But such an agreement could it make it even more difficult for the Administration to defend its decision to bar European subsidaries and licensees of American companies from helping to build the Soviet gas pipeline.

Waiting on Warsaw

Relief for Washington from the pain of the sanctions headache could come from Warsaw — if the Polish regime lifts martial law and frees more than 2,000 remaining political detainees. Important announcements may come this week as Poland celebrates its National Day. An improvement in climate would not only help persuade Western nations to lift the sanctions, but could smooth the way for Pope John Paul II to visit his homeland soon.

Gen. Wojceich Jaruzelski tightened his control last week. He forced Stefan Olszowski, an influential Politburo hard-liner, out of his job as party secretary in charge of propaganda, in a sweeping shakeup that also demoted Hieronim Kubiak, a party liberal.

Not Exactly A Bedroom Farce

An Englishman's home is his castle, but somebody forgot to pull up the drawbridge last weekend at Buckingham Palace. In a breach of royal security that shocked members of Parliament, an astonished Queen Elizabeth II awoke to find an intruder by her bedside at 6:30 A.M.

Police said Michael Fagan, 31 years old and unemployed, whose father called him "a royal fanatic," had climbed the 10-foot wall topped with spikes and sensors surrounding the palace's 51 acres. He then shinnied up a drainpipe, pulled aside wire mesh covering a window (to discourage pigeons) and jumped in.

"Bells were ringing all over the place," Home Secretary William Whitelaw said, but a police officer, assuming a false alarm, turned them off. British newspapers said Mr. Fagan, who had been caught in the Palace in June sipping from a royal wine bottle, sat on the bed six feet from the Queen, told her he loved her and threatened to kill himself with a broken piece of glass.

The Queen maintained her calm. Distracting him with conversation about her children, she pushed a panic button that failed to function and twice telephoned for help. But the palace guard misunderstood her carefully phrased understatement of the situation and did not respond. Finally, after 10 minutes, a chambermaid arrived and turned Mr. Fagan over to a palace footman.

After the incident was disclosed and hotly pursued by Fleet Street, Mr. Whitelaw ordered a Scotland Yard inquiry; police patrols at the palace were visibly beefed up. Even before the intrusion, security had been improved, Mr. Whitelaw said. Roy Hattersley, the Labor Party's security spokesman, seemed unimpressed. Since the improvements "resulted in a man getting into the Queen's bedroom," he asked, "how was it before the improvement?"

Needed: More 'Milestones'

The State Department reported progress in the snail-paced negotiations on Namibian independence last week, but others suggested the discussions remained stalled over something few officials would talk about: the "linkage" of the withdrawal of Cuban troops from Angola to that of South African troops from Namibia.

Officials in Washington said that yet another "breakthrough," this one also designated a "milestone," had been reached when all parties involved in the five-year-old negotiations had come to a "firm and informal understanding" to agree on one or the other of two electoral systems proposed for an independent Namibia. The five Western nations involved in the talks — France, Canada, Britain, West Germany and the United States — had suggested that Namibia's constitutent assembly members be chosen half by proportional representation and half by election in single-member districts.

However, leaders of the South-West Africa People's Organization, which has mounted armed opposition to the 20,000 South African troops occupying the territory, said no such agreement had been reached. Even if it had been, the prospects for settlement would be "very seriously diminished" in the absence of agreement on the Angolan matter, a State Department official said.

Central America Simmers, Burns

The politics of foreign aid to Central America got a lot stickier last week as France resumed arms shipments to Nicaragua, President Reagan vowed to help Honduras combat Nicaraguan "terrorists," and a Congressional committee punished El Salvador.

French Foreign Minister Claude Cheysson, who criticized countries that "try to impose their point of view" on others, confirmed that the remainder of a $15.8 million arms package was being delivered to Managua despite White House objections. Washington has accused Nicaragua of funneling arms to Salvadoran rebels and of crossing its border with Honduras to attack anti-Sandinist refugees. Nicaragua says exiles are using Honduran sanctuaries to launch counterrevolution.

President Reagan last week told Honduran President Roberto Suazo Córdova that he hopes to increase military aid to the nine-month-old democracy by $4 million, to $14.5 million. Neighboring Nicaragua has an army twice the size of Honduras, an American official noted. The two countries' strained relations have fueled fears that the war in El Salvador may spread.

El Salvador will get an $85 million loan from the International Monetary Fund. But the Administration, annoyed by Salvadoran backsliding on human rights and land reforms, didn't put up much of a fight when the House Foreign Affairs Committee voted to reduce the country's share of the Caribbean basin aid from $128 million to $75 million. The Senate Foreign Relations Committee earlier cut back military aid to $66 million, a third of the sum sought by President Reagan. The White House has threatened not to certify El Salvador later this month for continued assistance unless land reforms resume and the human rights record improves.



President Roberto Suazo Córdova

Barbara Slavin, Milt Freudenheim and Katherine J. Roberts

Lebanese Christian Strength Adds to Palestinian Worries

Top Maronite Muscleman May Covet the Presidency

By WILLIAM E. FARRELL

BEIRUT, Lebanon — Among the many "states" within this fractured country, probably none is more monolithic and powerful than the Maronite Christians headed by Bashir Gemayel, an aggressive 34-year-old lawyer. Mr. Gemayel and his associates control Lebanon's largest private army, estimated at 25,000 men before a reserve call swelled its ranks. His right-wing Christian militiamen disdain the Phalangist label, because of unpleasant associations with Franco's Spain. In Lebanon's crazy quilt of private armies and militias, they call themselves the "Lebanese forces."

The Israeli invasion has magnified the power of the Maronite forces. They dominate east Beirut effortlessly. The Israelis are camped on their doorstep and, while the Christian militias look on with pleasure, the Israelis have been pummeling their archenemies, the Palestinians, encamped and encircled in predominantly Moslem west Beirut.

Mr. Gemayel nurtures presidential hopes, although many consider his candidacy unacceptably controversial. During the weeks of Israeli occupation, the Phalangists have carefully avoided gloating in public. But in private they are delighted that the Israelis, who have supplied the Christian militia with $100 million in military aid in recent years, are trying to rout the Palestine Liberation Organization from Lebanon.

During the fierce and vicious civil war in 1975-76 and in subsequent violent clashes, Mr. Gemayel, whose father, Pierre, founded the Phalangist movement 43 years ago, emerged as a military leader. One of the fears in west Beirut, aside from the threat of Israeli invasion, is that Lebanon's Moslems may be subjected to reprisals by Christian militiamen. That is one reason the P.L.O. is seeking a United Nations-sponsored multinational force to protect the 600,000 Palestinians it would leave behind if it departs.

The Maronites, the largest and strongest Christian community in Lebanon, are Eastern Catholics named for Saint Marun, who died in 410. They were driven from Syria not long after that by other Christian sects, mainly Greek Orthodox, and have been linked with the Vatican since 1736. Many Maronites like to identify with the ancient Phoenicians; more contemporaneously, they stress French ties dating to France's intervention in Lebanon in the 19th century. Many Maronites speak better French than Arabic.

When Lebanon became independent in 1943, a complex formula was devised that recognized the Maronites as the largest community in Lebanon and gave them the main posts in the Government. The formula still stands, although the Maronites no longer predominate. Lebanon's hasn't taken a census since 1932, but the best population estimates now are — Shiite Moslems, one million; Sunni Moslems, 600,000; Maronites, 600,000; Druze, up to 300,000; Greek Orthodox, 350,000; Greek Catholics, up to 300,000.

The current President, Elias Sarkis, is a Maronite. So are Maj. Gen. Victor Khouri, commander of the Lebanese army; Johnny Abdo, chief of intelligence; Farouk Abillama, chief of security, and the central bank president, Michel Khouri. The civil service is heavily dominated by Maronites, and they are also numerous in law, medicine and business. Worldwide, the Maronites are estimated to number five million, including coreligionists in the United States, Canada, Brazil, Australia and Africa. Their exodus years ago is one reason there has been no recent Lebanese census.

Maronites began arming themselves when Palestinian refugees arrived in Lebanon in 1969 under a Cairo agreement that permitted the Palestinians to bear arms.



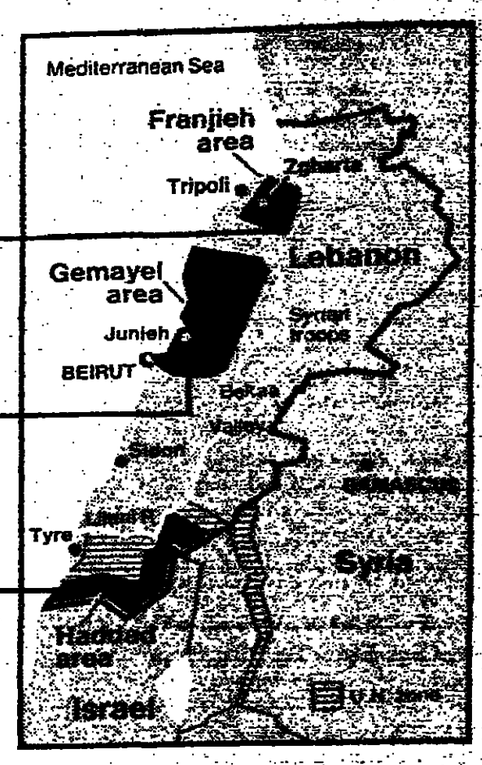
Suleiman Franjieh



Bashir Gemayel



Maj. Saad Haddad





Sygma/Gerard Rancinan (above); Camera Press; Sygma/Alain Dejean; The New York Times/Micha Bar-Am

Maronite militia members conducting a military drill in Lebanon.

There have been ugly inter-Christian struggles from which the Phalangists have emerged as winners. Former President Camille Chamoun's army was absorbed into the Gemayel-led "Lebanese forces." The son and daughter-in-law of another Christian leader, former President Suleiman Franjieh, were killed with their little daughter in 1978. Mr. Franjieh has his own army in the mountains and has enjoyed Syrian protection. Bashir Gemayel's own small daughter and her nurse were killed a few years ago when a booby-trapped car exploded in an evident attempt on Mr. Gemayel's life. In Southern Lebanon, Maj. Saad Haddad heads an Israeli-equipped Christian army of 2,000 men. Last week, a United Nations spokesman charged that other militia men armed by the Israelis under the name National Guard had harassed villagers and exchanged fire with United Nations troops.

Unlike besieged west Beirut with its many Moslem factions and militias, the Maronites are in total control in east Beirut. The Christian militia band plays fanfares to greet distinguished visitors. Phalangist police direct traffic. Phalangist taxes are collected on rents, businesses, hotel and restaurant bills, gasoline and even parking lot fees. The Phalangists' main source of income, however, is said to be revenues from illegal ports stretching from the coastal city of Jounieh to their part of the port of Beirut, on the line between the eastern and western sectors. In 1980, the Lebanese Government reportedly received one million Lebanese pounds in duties and remitted half of this sum to the Lebanese forces.

Pictures of Bashir Gemayel are posted all over east Beirut and in hillside towns to the east. But since the Israeli invasion, he has stayed out of sight, avoiding extensive interviews. Aides play down his martial qualities and stress his love of classical music. His followers are riding high, but no one knows how long that will last in Lebanon's feudal, violent aggregation of clashing interests.

Some Dissidents Get Visas but Others Continue Their Fast

Starving for Freedom Is a Perilous Tactic

By SERGE SCHMEMANN

MOSCOW — Starvation as a means by average Russians to extract visas from the Soviet state may seem, at the least, ill-advised. Neither Yuri V. Balovlenkov nor Sergei L. Petrov, now waging hunger strikes to gain permission to join wives in America, have the international clout of an Andrei D. Sakharov. Besides, the Soviet Government seems in no mood to appease the United States and, probably more to the point, is not given to philanthropic impulses. [Mr. Balovlenkov's wife received a visa and was reported in Moscow where she met her husband yesterday.] And against the history of pressure tactics used to secure emigration, the recent rash of hunger strikes, of which Mr. Balovlenkov's and Mr. Petrov's are the latest, has a certain tragic logic.

The fasts are dangerous and desperate. The two men may die; short of that, they may have already done serious damage to their health. But the extraordinary premium the Kremlin has placed on any passage across its borders, and the sensitivity Soviet leaders have demonstrated to international opinion, have spawned all kinds of bids by those desperate to leave to bring their plight to the world's attention. Enough have succeeded to insure there will be more, and more dramatic, attempts.

The results have been far from constant. While some "refuseniks" have won exit papers after striking up relations with Westerners or becoming active in dissident campaigns, others, such as Viktor L. Brailovsky and Ida Nudel, have been punished with long stints in internal exile. The Pentecostalists who rushed the United States Embassy four years ago are still there, despite reams of publicity and an abortive hunger strike. Ethnic Germans regularly try to demonstrate in Red Square, but their efforts rarely earn them more than a quick gang-tackle by beefy K.G.B. guards.

Long experience has made the Russians fairly competent in gauging the public relations impact of giving in or cracking down on a given group. Their confidence in busting up an unofficial disarmament organization that caused a stir recently was a study in skillful, if cynical, uses of carrots and sticks. While some members were granted exit visas, others were threatened and detained, and in a new tactic, foreign correspondents arriving to chat with the protesters were met by a jolly K.G.B. man who lectured them on their duties and urged them to hunt for news elsewhere.



Associated Press

Sergei L. Petrov, who seeks to join his wife in the United States, fasting in Moscow last week.

The hunger strikers, however, have posed a qualitatively different challenge to Soviet authorities. When Dr. Sakharov and his wife declared late last year that they would not eat until their young ward was allowed to emigrate, the authorities found no answer except to give way after 17 days. Once the ward, Yelizaveta Alexseyeva, was off to Boston to join her husband, it was only a matter of time before others seized on the tactic.

The "divided families" group — five Russians whose spouses live in the West — were next, and at first the authorities again gave way. One striker was allowed to leave and the others received assurances that they would soon be allowed to follow. But then Mr. Petrov, not a member of the group but with a similar plight, began his fast, and 10 days ago, the authorities finally drew the line.

In a surprisingly candid recognition of Moscow's priority on international public opinion, a senior official of the passport office, Sergei A. Fadeyev, called in foreign correspondents and told them that neither Mr. Petrov nor Mr. Balovlenkov, despite earlier promises to the latter, would get their visas. Mr. Fadeyev went on to accuse the United States Embassy of inciting their desperate action and thus of interfering in Soviet affairs.

The two strikers vowed to continue to the death, the embassy rejected the charges and the showdown was on. How it will end, nobody knows.

But whatever happens to the two men, attempts by others seeking to leave the Soviet Union for religious, ethnic, political or other personal reasons are certain to continue, as long as the Kremlin regards its long borders as a barrier to be breached only by the privileged, the exiled or the bold. The Soviet attitude toward foreign travel is as complex and ambivalent as the Soviet view of the outside world in general. There is the presumption that anyone who glimpses the glitter of the West stands to be permanently subverted. The corollary is an almost pathetic yearning by virtually every Russian to travel abroad, coupled with a suspicion that anyone who wants to leave for good must be a traitor to the motherland.

The attitude surfaces constantly in minor ironies and major tragedies. For faithful servants of the state, trips to the West easily outrank any other perk. The would-be traveler must undergo a thorough security check and must prove his capacity to cope abroad by first surviving test visits to at least two satellite states, the first almost always to archfaithful Bulgaria. Once cleared and once having traveled West, the Russian joins a rarified elite.

But the Jew, German, Pentecostalist, artist, writer, dissident or just plain individual who asks to quit the Soviet Union becomes an instant outcast. The process of excommunication begins as soon as the application is filed. Jobs, prospects, even friends fade away, and if the answer is "nyet," the refusenik slides into limbo, cut off from his own society but unable to leave it.

There is no way to gauge how many people want to leave. But there is ample evidence that for each one who does, several submit applications. There is an old joke about the man who is asked what he would do if the borders were opened. "Climb a tree," he says. Why? "So's not to get trampled."

صكنا من الأصل

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Sooner or Later, Forecasters Agree, the Glut Will Give Way and Then What?

It's a Buyers' Market Now, But Don't Sell OPEC Short

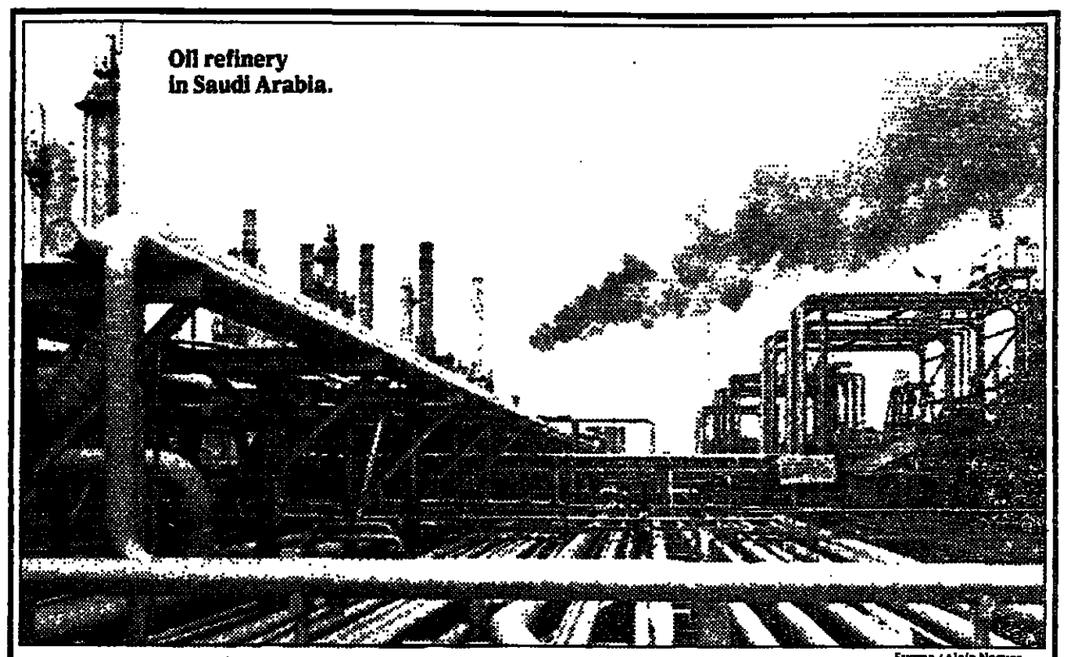
By STEVEN RATTNER

LONDON — For the moment, the only direction oil prices seem likely to go is down. A week ago, a special meeting in Vienna of the Organization of Petroleum Exporting Countries broke up in disarray as the 13 members failed to agree on continuing production limits to prop up prices. Now the oil world is watching anxiously to see whether a major break in prices materializes or the cartel again manages to pull itself back from the brink.

OPEC's decision in March to set national quotas and an overall production ceiling of 17.5 million barrels a day stiffened prices for a while. But several producers — most flagrantly, Iran and Nigeria — began exceeding their quotas. Production lately has risen to about 18.2 million barrels a day and Saudi Arabian light oil — officially $34 a barrel — has drifted down on the spot market. Last week, despite the new fighting between Iran and Iraq, Saudi light was being quoted at $31.50 a barrel.

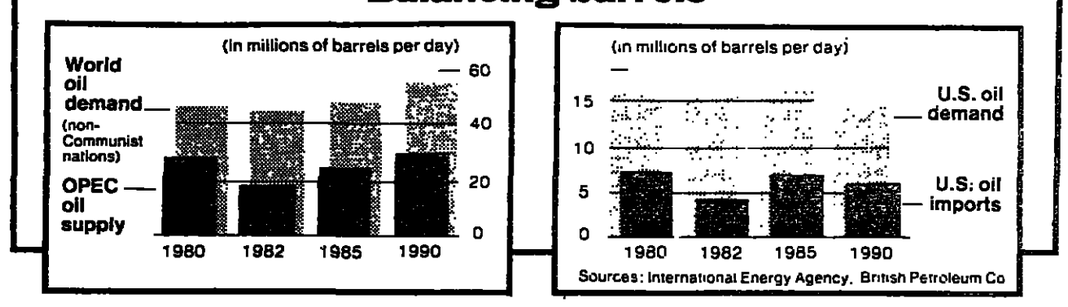
For all their optimism about the immediate outlook for prices, oil experts regard prospects for the more distant future with considerably greater caution. To many observers, an end to declining prices appears likely and increases — even beyond what is needed to keep up with inflation — loom as a distinct possibility. "By the year 2000, oil prices could double, in 1980 dollars," said Daniel Yergin, chief author of "Global Insecurity: A Strategy for Energy and Economic Renewal."

At few moments since the world became dependent on oil has so much uncertainty surrounded the outlook. Disagreements among forecasters are common, of course, but even individual forecasters now are reluctant to offer firm predictions. The Exxon Corporation, for example, has not produced an edition of its annual energy outlook since late 1980 and has no immediate plans to unveil one, according to a spokesman.



Oil refinery in Saudi Arabia.

Sygma / Alain Nogues



The excess oil-producing capacity around the world has persuaded most analysts that for the next several years, prices are likely to be soft. "If you just take the economic outlook, I wouldn't forsee a real tightening until 1984 or 1985," said Uif Lantzke, secretary general of the International Energy Agency. "But I wouldn't give us that much time if you add to that the political dimension."

By the political dimension, Mr. Lantzke was referring to persistent instability in many oil-producing areas, most notably the Middle East. The fragility there was vividly illustrated last week by the latest phase of the war between Iran and Iraq. "You have the unbelievable political and strategic instability of the Middle East, an underlying political rivalry between various countries and a complete lack of unity," said Walter J. Levy, a prominent consultant. "All of this makes rational behavior, which was always difficult among those nations, more difficult."

Sooner or later, the economic dimension will also come into play. The world's oil reserves peaked in 1974 and although they have risen modestly in the past two years, the increase was due in large part to a decrease in consumption. If demand recovers according to projections, reserves are likely to resume their decline. That means that prices will again have to rise faster than inflation at some point to effect a transition away from oil.

The recent decline in oil prices, particularly in "real" terms, carries a Catch-22. The lower prices, and the expectation that has taken hold of still lower prices to come, affects a wide variety of energy-related decisions. So far this year, the number of oil wells drilled has dropped by a third, a variety of synthetic fuel plants have been cancelled and airlines have sharply cut back on plans to buy more fuel-efficient planes. High interest rates also are taking a toll on conservation efforts. Many projects that looked attractive at an 11 percent prime rate are far less appealing at 16 percent.

The lower oil prices help feed economic growth, just the way past price explosions helped retard expansion. But growth means more oil consumption, and more consumption inevitably means pressure on prices. By 1990, the International Energy Agency believes that consumption of oil in the non-Communist world could total 56 million barrels a day, compared to 45.2 million barrels a day in 1982. The scenario was based on a forecast by the Organization for Economic Cooperation and Development of a slow recovery by the industrialized countries from the current slump. If interest rates fall and the economic upswing gathers momentum, oil consumption will also begin to rise faster.

As its share of world oil production has dropped, OPEC has found its role as the "swing producer" intensified. In just two years, its output has dropped by one-third. But when demand begins to rise again, the increase will have to come from the same 13 countries.

Much of their ability to meet the demand will be determined by the political situation. At the peak, Iran produced six million barrels a day and Iraq three million. Today, as a result of war and revolution, their combined production is three million barrels a day. Continuing inability to raise output would mean price pressure sooner; a return to normality would delay increases. That is just one uncertainty in an outlook filled with doubts.

Checks and Imbalances at the Vatican Bank

By MALACHI MARTIN

The Vatican Secretary of State, Cardinal Agostino Casaroli, last week announced the appointment of three bankers — one Italian, one Swiss and one American — to investigate all financial dealings between the Vatican bank and the single largest investment bank in Italy, the Banco Ambrosiano of Milan, known as l'Ambro. Cardinal Casaroli emphasized that the Vatican had taken this step at the explicit request of the Vatican bank's president, 60-year-old Archbishop Paul C. Marcinkus of Cicero, Ill., who has been in Rome since 1947 and the Vatican bank's president since 1967.

The action has caused genuine surprise at every level, from the least sophisticated to the best informed. Many never knew the Vatican had a bank. But even those well acquainted with the Vatican's inner workings were taken aback, first because Vatican officials took so unprecedented a step; second, because in this most secret of organizations, it was publicly announced. Then, a few days after the disclosure, one of l'Ambro's key subsidiaries, a Luxembourg holding company, was declared in default on about $400 million in debt. Last week's events were just the latest chapter in a history that goes back more than 50 years and includes wars, industrial takeovers, charitable works and enough intrigue to fill a series of spy novels.

The crisis has its nearest roots in the discovery two years ago of a $790 million "hole" in l'Ambro's accounts. There was also the matter of $1.4 billion in unsecured loans made to foreign subsidiaries, many of them in Latin American. L'Ambro's possible collapse brought on a nationwide crisis of confidence so acute that for the first time in 64 years the Italian Government closed the Stock Exchange. There was an investigation. Roberto Calvi, l'Ambro's president, was tried and convicted of taking $27 million out of the country in violation of currency regulations, fined $19.8 million and condemned to prison for four years. During the time of his appeal he disappeared. His secretary defenestrated herself in Milan. One investigating judge, Emilio Alessandrini, was assassinated. And on June 18, the body of the 61-year-old Calvi was found hanging from Blackfriars Bridge, a stone's throw from the heart of London's financial district. British police are not yet satisfied that it was suicide.

Meanwhile, a massive effort was mounted by several banks to prevent the l'Ambro collapse. But Government investigators, headed by Treasury Secretary Beniamino Andreatta, seemed to have more questions than answers as to what exactly happened to l'Ambro.

Banking Power

From one point of view, the Vatican bank is one logical place to look for clues. The Vatican, through this financial arm, is among the primary banking powers in Italy. It owns at least eight other large banks and thousands of small rural ones. It has controlling interests in several medium sized banks, valuable partnerships in a few large banks with international interests and complex — sometimes controlling — interests in the larger national credit institutions and insurance companies. At one stage, the Vatican owned l'Ambro outright. And there is some indication that the Vatican bank had guaranteed l'Ambro's reputedly unsecured loans. There is also the powerful argument that given the malaise in Italy's money markets, the result of l'Ambro's condition, every banking and credit institution in the country should be scrutinized, and that the Vatican bank is no exception.

Perhaps uppermost in the mind of any investigator would be the last major Italian financial scandal before the Calvi-l'Ambro affair. In the mid-1970's, the collapse of the financial empire built by Italian financier Michele Sindona — *il crack Sindona*, as the Italians dubbed it — left unanswered questions and at least two dead bodies. Further, as Italian authorities point out, there was evidence of collusion between Mr. Sindona and Mr. Calvi. Even then, the two men had been associated closely enough with the Vatican bank and its president, Archbishop Marcinkus, to have invited Government scrutiny. (Mr. Sindona is now serving a 25-year sentence in the United States on several counts of fraud.)

What is well understood in Italy, but is little remarked here, is the nature of the Vatican bank, the reasons for its existence and the singular, ongoing tension between the state (the Vatican) within the state (Italy). Yet all this is bound up with today's headlines.

Overall direction and control of Vatican finances are in the hands of three Cardinals who form the Prefecture of Economic Affairs. The prefecture's banking arm is the Vatican bank. The bank is officially known as The Institute for Religious Works, a name taken from its charter, which mandates that it take "into its custody and to administer capital destined for religious works."

When you enter the bank from its Vatican courtyard today, it looks like a bank should, with one exception — the tellers wear clerical clothes. But they do cash checks, take deposits and change currencies at teller windows. The clerical administrators maintain accounts, transfer monies and carry on rather aggressive and far-reaching policies. The bank has vaults, safe-deposit boxes and security precautions. For it is a real bank, though its depositors are limited in number — citizens of Vatican State, diplomats accredited to the Vatican, a certain class of the ordinary clergy, some Italian citizens and a few non-Italians who enjoy the privilege as a reward for outstanding services to the Vatican and the Church.

The need for the bank grew out of the Vatican's receipt in 1929 of indemnities totalling $2 billion (at 1982 dollar rates) from dictator Benito Mussolini — compensation for the loss of Vatican property to the Italian State some 60 years before. There was also an outright donation of something like $2 million from Il Duce, recognition of the Vatican as a sovereign state and generous measures for its tax-exempt status.

Financial Expansion

In the 1930's and 40's, those monies and that status were harnessed by the Vatican's financial wizard, Bernardino Nogra (he died in 1958) and applied over a wide swathe of the Italian economy — credit and banking, electric power, gas, cement, steel, textiles, pasta, agricultural implements, communications and more. The Vatican even moved monies across the boundaries of warring nations between 1939 and 1945. It was soon evident, however, that with its own banking arm, the Vatican could better capitalize on its unique situation as a sovereign state with extensive tax-exempt status. In 1942, Pope Pius XII created The Institute for Religious Works.

By the late 1960's the Vatican, through its bank, had branched into every major sector of Italy's economic and industrial life, ending with a controlling or strong interest in many thousands of companies. The almost 25-year-reign of the Christian Democrats — the Vatican had thrown considerable resources into maintaining that reign — was of considerable help. The bank had also become the single largest investor in the Government-run Institute for Industrial Reconstruction (I.R.I.), which with more than 300,000 employees dominated, and still dominates, the economy and accounts for well over 40 percent of all Italian investment.

Through its participation in I.R.I. during the post-war period, the Vatican bank acquired extensive holdings in giant corporations such as the Alfa Romeo Automobile Company, Firmeccanica (an engineering combine) and Finmare (shipping). There were other bonanzas, too. The bank profited from enterprises as diverse as the construction of Fiumicino airport outside Rome and the lucrative market in bananas. Within Rome alone, it possessed land holdings of 102 million square feet. Beyond Italy, the Vatican bank ventured into Switzerland, Germany and the Americas. It operated the Banque de Rome Suisse, which enjoyed all the anonymity Swiss laws endorse. By means of its Swiss accounts, and because of its tax-exempt status at home, Vatican bank investments and control of foreign companies have passed unnoticed. Yet by the late 1960's, the Vatican had run into trouble. Italy's social and political conditions were deteriorating; they would end in violence and disruption in the 1970's. The Christian Democrat reign was over. Several Vatican-owned companies had lost millions of dollars. There was fear of a Communist take-over in Italy by means of a popular-front government and rumblings of counter-plots on the extreme right. A long-standing argument had also begun among successive Governments, which kept pressuring the Vatican to forego its tax-exempt status, at least regarding the dividend tax on Italian stock earnings. (The Vatican gave in, in principle. But the Government has yet to say what the Vatican owes in back taxes from 1963 onwards.)

Because of these pressures, the Vatican decided in 1968 to transfer its major interests abroad, mainly to the United States. American financial circles soon discovered that the Vatican bank had bought extensively into Chase Manhattan, General Foods, General Electric, Shell, Standard Oil and more. Unfortunately, this is where the circle begins to close. For the man chosen to facilitate the transfer of funds and to guide other overseas operations was Michele Sindona. And by 1974, when *il crack Sindona* was a fact, large sums of Vatican monies had simply evaporated. Reports placed the losses anywhere from $120 million (too low, most authorities seem to agree) to $1 billion (a quite feasible figure, many hold).

The losses affected the Vatican bank directly and indirectly, through its financial and manufacturing interests in Switzerland, Germany, France, England and the Americas. Local economies were also affected, as by the collapse of the Herstatt Bank of Germany (Sindona controlled) and by the bankruptcy of the Franklin National Bank (also Sindona controlled) on Long Island.

Subsequent American investigations into the Sindona affair never cleared up its central mystery: How much money had disappeared and where it had gone. But many thought the answers involved the Vatican bank and its president, Archbishop Marcinkus. For the bank, perhaps unknowingly, was associated with Mr. Sindona's Machiavellian scheme of fiduciary trusts, phony deposits and phantom holding companies. Near the end, Mr. Sindona was left with only one major backer: the Vatican bank and Archbishop Marcinkus.

New Scrutiny

Today, the financial unrest and uneasiness caused by Banco Ambrosiano's near collapse has again brought the bank and its president under close scrutiny. Treasury Secretary Andreatta sent a memorandum to Pope John Paul himself pointing out the delicacy of the case and recommending that Archbishop Marcinkus be removed. The Vatican's answer came last week in Cardinal Casaroli's announcement of an independent investigative team.

The investigators are not unknown to the Vatican. They also enjoy impeccable credentials in their own world of finance. The Italian, Carlo Cirutti, is vice-chairman of the communications division of I.R.I. The Swiss, Philippe de Luech, is president of the Union de Banques Suisses and, through Swiss banking connections, has dealt with the Vatican bank. The American, Joseph Brennan, chairman of the executive committee of the Emigrant Savings Bank, knows Archbishop Marcinkus and is familiar with the running of Vatican finances.



Gamma-Liaison, François Lochon

Archbishop Paul C. Marcinkus

Vatican authorities are understandably keen on clearing up the whole affair. Before the l'Ambro crisis and indeed before *il crack Sindona*, Italians were never easy about Vatican finances, which seemed to many secret and crass, if not sinister. Indeed, events of the past 25 years have generated an impression that Vatican money is used merely to make more money and is sometimes diverted to purposes unworthy of a religious organization.

On another level, the tax-exempt status of the Vatican and the freedom of movement this allows it in national banking has produced, at least in Italy, a certain anticlericalism. This does not help the Roman Catholic Church in its already agonizing endeavors to restore some vigor to the faithful in Italy, where the majority of men do not practice their religion and where the Church's proposals for social justice and political unity generally fall on deaf ears. The Vatican's accession to an official investigation is one answer to that apathy.

There is now some hope of regaining the confidence of the masses. There is also an indication that those who have advocated a radical change in the Vatican's financial arrangements may be acquiring a voice in its inner councils. They have argued that nothing will do short of total separation between the spiritual and moral mission of the Church, on the one hand, and, on the other hand, the providing for its material needs in that mission. They have noted that serious and recurring scandals contribute not to the Church's health, but to the decay of its ability to do the work it was created to do.

Malachi Martin, who has written widely on religion and the Vatican, is also a novelist. His most recent book is "The Decline and Fall of the Roman Church."

Other World Events

Falkland Shoes Drop

It was time "to put the past behind us," President Reagan said last week, lifting American sanctions against Buenos Aires that were imposed when the Falkland Islands war broke out. The new Argentine leaders, who want the United States to nudge Britain toward a compromise on Falkland sovereignty, would say only that the action "makes for justice."

Mr. Reagan's announcement was timed with Britain's decision to release the remaining 593 Argentine prisoners — despite their Government's refusal to declare a formal cease-fire. Buenos Aires, which would agree only to a de facto end of the South Atlantic hostilities, still contends that it lost a battle, not the war, when its forces surrendered June 14.

Ogaden, Again

The war by proxy flared again in the Horn of Africa. Ethiopian-backed guerrillas widened their two-week-old offensive against the Somali Government last week, sparking the most sustained fighting in the region since the 1977-78 war over the Ogaden Desert. Diplomats say Addis Ababa sent 9,000 troops to help the rebels, and pro-Western Somalia has pleaded for quick delivery of American arms. Soviet-backed Ethiopia, tied up in battles with Eritrean guerrillas, denied any involvement.

On Mrs. Gandhi's Team

Indian Prime Minister Indira Gandhi got her own team player last week with the election of former Home Affairs Minister Zail Singh to the largely ceremonial job of President. The complaisant Mr. Singh, a Sikh, has said he would sweep the streets if Mrs. Gandhi asked him to. Mr. Singh, who was imprisoned for five years after forming a unit of Mohandas K. Gandhi's Congress Party during India's struggle for freedom, has held a number of ministerial posts since independence in 1947.

The Nation

In Summary

Sewing Up the Budget; Patches For Economy

Congress worked overtime last week, tailoring 1982 spending to the White House's measure and taking in the seams on 1983. At the other end of Pennsylvania Avenue, refitters were working nights too, trimming the Administration's expectations for recovery to the flabby facts of economic life. By week's end, Treasury Secretary Donald T. Regan's admission that his prediction that the economy will come "roaring back" was "a little bit of hyperbole" looked like a little bit of understatement.

The output of the nation's factories, where the recession is centered, declined in June for the 10th month out of 11. And, while analysts cautioned that the week's inflation figure may represent only a temporary phenomenon, the headlines were chilling. Last month, wholesale prices jumped for more sharply than in any month since March 1981.

Even taken separately, the seven-tenths of 1 percent decline in factory output and the 1 percent rise in wholesale prices, propelled primarily by higher energy costs, present political problems. For the Administration, whose test at the polls comes two and half years from now, they are mostly of perception — no White House wants to be seen as clinging to a revitalization program that is falling flat. Congress, however, doesn't have the luxury of waiting until after the fall elections for the in-depth policy review White House aides confirmed last week might take place then.

Under the threat of a third Presidential veto, the legislators did back away from any attempt to attach Federal dollars to stimulate the bruised housing industry to an "urgent supplemental" bill. They ended a three-week stalemate by producing a signable measure adding $5.5 billion in new spending to keep the Government's doors open for the rest of the 1982 fiscal year. But veto rattling wasn't enough to hold back the House Ways and Means Committee on the matter of unemployment benefits.

Though the budget resolution voted last month requires deficit-reduction of $125 billion over three years, in one more attempt by the Democrats to highlight the economy's problems, the panel approved an extra 13 weeks of unemployment benefits for jobless workers in recession-exhausted states. Covering themselves against charges of budget busting, Democrats say the program's costs would be covered by new taxes on employers. Like the Senate Finance Committee, the House panel cut several billion dollars into Medicare, lowering the ceiling on Federal reimbursements to hospitals. There were other sensitive, though still tentative, steps on the other side of Capitol Hill. The Senate Veterans' Affairs Committee trimmed more than $550 million; the Agriculture Committee found $2.6 billion in food stamps cuts.

Congress Acts On Sex Charges

"I don't want the American people to think for one minute," Representative Thomas F. Harnett, a Republican from South Carolina, thundered during debate last week, "that this body is full of rogues and dope addicts." Especially with elections drawing nigh, he might have added.

So with a minimum of enthusiasm, the House authorized an inquiry into those nasty accusations that first emerged during Congress' July 4th recess — that some Congressmen had used illicit drugs, that others had engaged in "improper or illegal sexual conduct" with teen-age pages. Representative Louis Stokes, a Democrat from Ohio who chairs the ethics committee, subsequently pledged that his panel would soon name a special counsel empowered to conduct a "thorough, professional investigation." Earlier in the month, a former page supervisor who was a primary source of the sex allegations failed a polygraph test administered by the Justice Department, which is conducting its own investigation.

Meantime, the Federal Bureau of Investigation and other law-enforcement agencies were proceeding with a separate probe of drug use on Capitol Hill. Representative Robert K. Dornan, a lame-duck Republican from California who has always had a flare for publicity and who cooperated with an undercover drug investigation conducted by local police, said that a "core group" of cocaine users included six House members, a Senator and two former Representatives.

Federal law officers generally do not bother with prosecuting users, but several lawmakers last week said their colleagues should be held to a strict legal standard. This could place the F.B.I. in a touchy position; the vigor with which it pursued Congressional Abscam defendants left a residue of bitterness on Capitol Hill. This week a special Senate committee created to review the bureau's Abscam tactics is scheduled to hold three days of hearings.

New Rules on Child Labor

Doing and undoing through regulation what cannot be accomplished or roiled back through legislation is a classic Federal practice, of which the Reagan Administration last week provided a classic example. In proposing to expand the hours and types of jobs that 14- and 15-year-olds can work, the Labor Department offered the first substantial change in child labor provisions in 40 years. And in loosening paperwork requirements, the Department also made it easier for employers to pay students 85 percent of the minimum wage.

Protest from organized labor, compete with references to the legacy of Frances Perkins, the Labor Secretary to President Roosevelt and champion of child labor laws, was immediate. The anger was economic as well as moral.

The Administration proposal is to allow school-age children to work up to 24 hours a week during school, six hours more than now, and at a new range of jobs, including cooking and baking, a major source of employment for those 16 and older. of "This would be a social outrage if we had full employment," Lane Kirkland, president of the A.F.L.-C.I.O, said: "But we have record unemployment with disastrously high rates for those between 16 and 18."

That is precisely the point made by those who would permit a sub-minimum wage, including President Reagan, who argued during the 1980 campaign that lowering the mandated minimum, now $3.35 an hour, would help remedy joblessness among minority teenagers in depressed areas. Labor has persuaded successive Congresses to defeat legislation setting a two-tier wage on the ground that it would cost adults jobs.

Caroline Rand Herron, Michael Wright and Carlyle C. Douglas

In Baltimore, President Reagan Didn't Win Many Converts to the 'New Federalism'

Many States Are Still Far From Ready to Go It Alone

By ROBERT PEAR

WASHINGTON — When President Reagan first announced his "new federalism" proposal nearly six months ago, many important details involving billions of dollars were unresolved. Mr. Reagan portrayed the vagueness and ambiguity as a virtue, leaving room for negotiations with state and local officials.

The negotiations continue, but to date they have not reached a successful conclusion. President Reagan said he would submit legislation to Congress at the end of this month, and he may have to do so without the backing of mayors and governors whose support he ardently seeks. "New federalism," like so much of Mr. Reagan's economic and social program, has become caught up in the politics of an election year.

Mr. Reagan flew to Baltimore last week to seek support for his "new federalism" initiative from the National Association of Counties. Even as he denounced "Federal intrusiveness," Democratic mayors from Seattle and Detroit were telling Congress that Mr. Reagan's notions represented an abdication of Federal responsibility. The mayors' criticism focused not only on the federalism proposals, but also on the Administration's urban policy statement — its effort to "return maximum authority and discretion over the use of resources to state and local governments." The mayors fear they will get less money, much less money, as well as more responsibility.

Richard S. Williamson, President Reagan's assistant for intergovernmental affairs, said that the mayors' sharp negative reaction to earlier drafts of the urban policy statement had "poisoned the well" on the "new federalism." Mr. Reagan disavowed the earlier drafts, which referred to local officials as "wily stalkers of Federal funds," but the themes were consistent with the policies of his Administration.

Mr. Reagan constantly emphasizes the idea of the nation as a "federation of sovereign states," and critics contend that in returning power to the states, he would weaken the cement that binds the Union together. A citizen who does not like the services in his state can always "vote with his feet" by moving elsewhere, Mr. Reagan has said, underlining his view that the national government should not try to redistribute resources between wealthy and poor states.

Regional Differences Remain Sharp

The President denies that his program would accentuate sectional rivalries or fiscal disparities among the states. Some wealthy states with vast mineral reserves or other potential tax resources pay low welfare benefits. Conversely, some of the older industrial states of the Northeast and Middle West, with an eroding tax base, strain their own financial resources to pay more generous welfare and Medicaid benefits.

The Advisory Commission on Intergovernmental Relations, a bipartisan body created by Congress, computed the "expenditure effort" for each state by comparing its welfare and Medicaid outlays with its fiscal capacity. The findings showed sharp regional differences. Eight of the 10 states making the highest "expenditure effort were in the Northeast or the Middle West. Officials from these two regions conclude that they will not be able to assume new responsibilities under "new federalism" unless they receive sustained, adequate Federal support.

Gov. Richard A. Snelling of Vermont, chairman of the National Governors Association, warned last week that the governors could not support the "new federalism" initiative unless several key issues were resolved to their satisfaction. The biggest issue is eligibility for Medicaid. States set their own eligibility standards, and they vary widely. The governors insist that if the Federal Government takes over Medicaid, it must pay for the care of "medically needy" people, those who are not quite poor enough for cash welfare, but too poor to pay all their medical bills. President Reagan's political aides minimized the significance of this issue in January, but it has emerged as a major stumbling block.

The governors also want to end the current requirement that a family's food stamp benefits be reduced by 30 percent of any additional welfare benefits they receive. This linkage, according to state officials, encourages states to keep their welfare payments low.

Taken together, the governors' proposals add up to a larger Federal responsibility for social welfare and "income support" programs. President Reagan's philosophy is just the opposite. He still wants the states to take over the main welfare program, Aid to Families with Dependent Children. With the recession dragging on and with unemployment at its highest level in 40 years, the prospects for Congressional approval of that proposal in an election year are negligible, according to members of Congress and their aides.

In submitting legislation this summer, Mr. Reagan evidently hopes to generate some momentum for the proposals in the next session of Congress.

Mr. Reagan's proposal for welfare, food stamps and Medicaid is only half of his federalism initiative, but it has sparked most of the debate. There is less controversy over his effort to return 35 highly specific Federal grant programs to the states, with a guaranteed source of funding for at least several years. The programs include education, transportation and community development activities that have been regulated by Washington.

Fiscal disparities (Selected states, 1980)

Note: Tax capacity is a relative measure of a state's ability to raise revenues through taxes; the average tax capacity for all states is 100. Expenditure effort is the ratio of state outlays for welfare and Medicaid to state tax capacity. The average for all states is 6.5 percent.

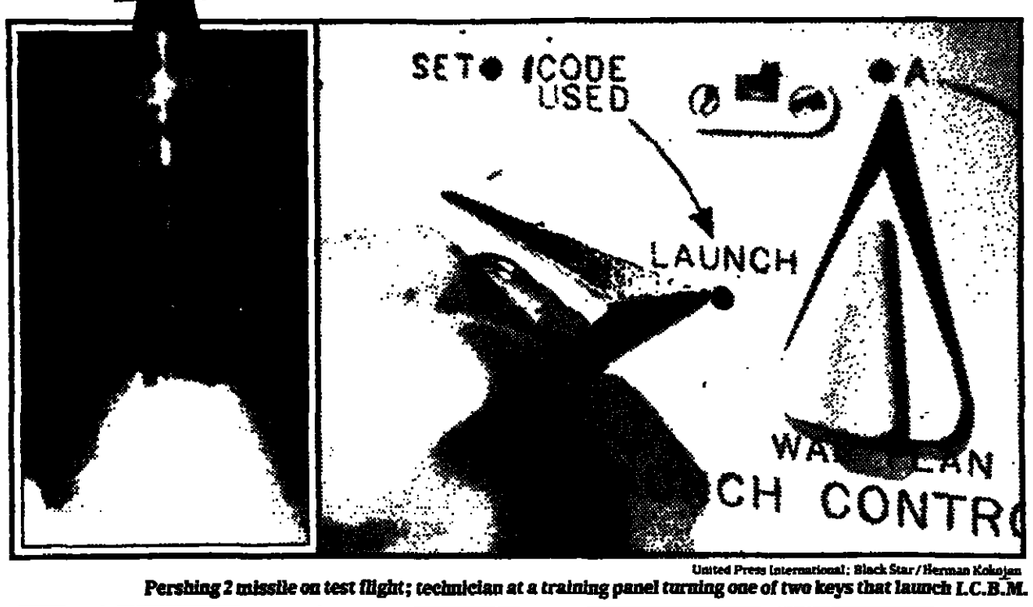
	Tax capacity	Expenditure effort (in percent)	State outlays per capita for welfare* and Medicaid
New York	90	12.6	$1163
Massachusetts	88	12.3	126
Rhode Island	89	11.0	106
Michigan	97	10.4	116
Wisconsin	96	8.7	93
California	117	8.3	107
Texas	74	3.8	34
Florida	100	3.2	38
Nevada	104	2.1	30
Wyoming	108	1.4	20

*Aid to Families with Dependent Children

Sources: Advisory Commission on Intergovernmental Relations; U.S. Treasury; Senate Finance Committee; Northeast-Midwest Congressional Coalition

Moscow Last Week Hinted at Adoption and Some in Washington Like the Strategy Too

A Scary Debate Over 'Launch Under Attack'



United Press International; Black Star/Herman Kokojan

Pershing 2 missile on test flight; technician at a training panel turning one of two keys that launch I.C.B.M.

By CHARLES MOHR

WASHINGTON — Launch Under Attack is a nuclear war strategy that is to many thinkers an anathema ranking not far behind preemptive war. But for a supposedly unthinkable idea, it has been much discussed of late. In recent months, a number of American defense policy reports have referred, though mostly negatively, to such a strategy. Briefly defined, it would mean firing some nuclear missiles after getting "reliable" electronic warning that enemy missiles are on their way. Last week, Moscow repeated hints that it might embrace the policy.

A principal argument against the strategy was succinctly put by Fred C. Iklé, now the Undersecretary of Defense for Policy, in testimony before the House Armed Services Committee three years ago. "If any witness should come here and tell you that a totally reliable and safe launch on warning posture can be designed and implemented," he said, "that man is a fool." Last week, Mr. Iklé said he still regarded launch under attack as "hair trigger and irresponsible." Still, some officials argue that while the strategy is dangerous it "might be valuable" to leave so much ambiguity about American intentions that the Soviet Union could never be sure that it had not, in fact, become at least an optional national policy.

Last week the Soviet Defense Minister, Dimitri F. Ustinov, issued a statement criticizing United States military planning and hinting, without explicitly using the words, that the Soviets might adopt launch under attack. Earlier this year an important Soviet policy analyst gave a group of visiting Americans a similiar warning. But some United States experts believe that, partly because most intercontinental Soviet missiles are powered by liquid fuels and are not all believed to be fueled at any given time, it might be difficult for the Soviet Union to adopt launch under attack strategy at this time. They also believe that the Soviet Union maintains its nuclear forces at a considerably lower alert status than the United States, partly as insurance against possible military mutiny.

However, Dr. Richard L. Garwin, a physicist, defense consultant to several administrations and perhaps the leading American advocate of launch under attack policy, strongly disputes that view. Dr. Garwin says the modern liquid fuels employed by the Russians are no obstacle to keeping missiles fueled at all times. Other authorities take a middle ground, saying that while permanent launch under attack posture might be difficult for Moscow to maintain it could employ the strategy during any period of international tension.

"Strategic warning," which depends to a considerable extent on satellite sensors, might give evidence that the Soviet Union is preparing missiles and other weapons for possible war. But the most strategic warning can do is to give evidence that the other side *may* intend to attack. Few, if any, responsible officials have advocated launch on strategic warning — which is, in any case, only another way of describing preemptive attack.

Launch under attack, or under tactical warning that missiles have been fired, is relatively simple in theory. If fixed, land-based ICBM's are highly vulnerable to destruction by Soviet missiles, as America's 1,000 Minuteman missiles are said to be, some of them could presumably be fired during the approximately 30 minutes of flight time required for Soviet ICBM's to reach the central United States. A complicating factor is that submarine-launched missiles aimed at decisionmakers such as the President might arrive at other targets within 10 minutes. Launch under attack is therefore sometimes advocated as a solution to the possible threat of "nuclear decapitation" of United States leadership.

The Threat of Accidental War

In fact, however, launch under attack policies and theories are far from simple. A report by an advisory panel on MX missile basing, published recently by Congress's Office of Technology Assessment, said that "necessary upgrading" of satellite and radar warning systems and of command, control, communications and intelligence systems would "require several years" and billions of dollars. However, the panel made clear that it believed that the cost would be significantly less than the "tens of billions" required for other methods of protecting and basing MX missiles.

One worry is that technical failures could strikingly increase the possibility of accidental nuclear war. The Congressional panel said that "no matter how much money and ingenuity were devoted to designing safeguards" there would always remain the possibility of error" which could mean "a nuclear war started by accident." But in a 1980 article in International Security, Dr. Garwin argued that launch under attack "seems to present no more hazard of unauthorized or accidental" nuclear firings than does "the present system in which the entire Minuteman force can be fired in a very short time by a proper order." He contended that the problem of unauthorized firing could be "addressed" by the use of so-called permissive action links in the silo and in the missile warhead. These cryptographic systems, borrowed from modern message-security systems, prevent an enemy from interfering with nuclear command systems and, at the same time, mechanically prevent the arming and release of United States weapons until an encrypted "go-code" is fed into the mechanism.

In one of the most chilling — if unintentionally so — passages published in recent years, Dr. Garwin wrote: "The probability of accidental launch can be calculated as the number of candidate signals per year, times the likelihood that any one will be interpreted as a real go-code. Presumably very few putative go-codes would be received per year (the expected number is less than one per year, caused by lightning, electrical noises or the like). If 1000 per minute were received, the pure-chance firing of the missiles would shorten the average human life by less than 0.1 seconds." The statement is less clinical than it may sound; it is based on Dr. Garwin's mathematical estimate that an accidental firing is likely to occur only once in 100 million years.

Many other authorities believe that the inherent dangers of technical failure or accident are either higher or unknowable. Moreover, there has been much speculation about the problems that might arise if either superpower found it possible to "blind" the other side's warning sensors. In the esoteric language of nuclear strategy, this might give "warning by loss of warning."

One of the most unpalatable aspects of launch under attack is that nearly all experts agree that, as one put it, the President's role would only be to "endorse the claim of the sensors that an attack was under way." Dr. Garwin, for one, believes the system would have to be based on "probability function" in which a truly random process would decide the retaliatory measure depending on a mathematical assessment of the number of incoming missiles and re-entry vehicles detected.

Some conservatives strongly oppose the launch under attack policy less on safety grounds than because it is an unsatisfactory substitute for expensive plans to develop "survivable and enduring" basing systems for intercontinental missiles. And in fact the increasing official emphasis in the last year of the Carter Administration and so far in the Reagan Administration on seeking to develop the ability to fight protracted and controlled nuclear war is not compatible with launch under attack policy. Some analysts are concerned that as one after another of alternative schemes to cure the perceived vulnerability of American — and eventually also of Soviet — land-based intercontinental missiles proves impractical, the compelling military argument of "use them or lose them" could push strategists toward a launch on warning or launch under attack policy.

R. James Woolsey, a former Undersecretary of the Navy who has served on five recent defense panels, including one now reviewing the MX, is not an advocate of launch under attack and favors spending to insure missile survivability. At the same time, he says that improving the warning sensors, communications and nuclear command system to permit Presidents to more safely adopt the system is probably wise. "You don't want a fulltime system," he said, "but you don't want to foreclose it. It is like the difference between force planning and operational planning. Having a Marine Corps that can make a forced entry somewhere is not the same as recommending that it be used in a given circumstance."

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The Economy

Hollywood Sequels Are Just the Ticket

Superman VII? Maybe. But studios risk going to the well once too often.

By LESLIE WAYNE

IN the high-risk world of the movies, where millions are gambled on the fickleness of public taste, there is nothing so comforting as a hit. Only one film in 10 ever makes it to that exaulted rank, and even fewer become blockbuster hits — those that gross, say $40 million or more. Given these razor-slim chances, Hollywood of late has begun to churn out more new movies based on old hits than at any time in recent memory. Whether it is "Jaws II," "Rocky III," "Psycho II" or "Airplane II," Hollywood hopes that when the dice roll again, a sequel will better the odds.

Sequels are really a story of modern Hollywood economics. Even though this summer has set box office records, the sky-high cost of movie-making has increased the penalty of a flop, breeding caution in an industry still reeling from such expensive failures as United Artists' $36 million "Heaven's Gate." With today's films, on average, costing $11.3 million each to produce — and that's before the studio spends millions more for marketing and distribution — moviemakers see sequels as a way to lure the public with bait it has swallowed before.

"With a sequel, you are not guessing in terms of public acceptance, you know they will accept it," said Allan Raphael, an entertainment analyst with Arnold & S. Bleichroeder Inc. "Once you have a good thing, milk it. It's like you've caught lightning in a bottle."

Those within the industry are even more blunt: "We don't make them for love of art," said Ned Tannen, president of Universal Pictures. "There is less risk in making a sequel than in almost anything else."

As a result, more are on the way. "Psycho II," "Halloween III," "Jaws III," "Sting II," "Airplane II," "Superman III," "Godfather III," "Porky's II," "Raiders of the Lost Ark II" and the third installment of Star Wars are now being planned or are in production — even though it generally costs more to produce a sequel than an original. Discussions about a sequel to "E.T. — The Extra Terrestrial," are still premature, according to Universal Pictures, the film's producer. But the rumor persists as the picture rakes in a phenomenal $3.5 million a day this summer, the largest draw in film history.

The sequels released this spring and summer are shattering box office records, and, in doing so, they have dispelled long-held beliefs about the earning power of sequels. Once sequels were thought to have a maximum box office draw of about 50 percent to 60 percent of the original. But the strong performance of M-G-M/U.A.'s "Rocky III" and Paramount's "Star Trek II — The Wrath of Khan," which all promise to outgross their predecessors, have turned that belief around.

Since its release on May 28, "Rocky III" has taken in $84.4 million at the box office and is expected to outperform both "Rocky" and "Rocky II," which together brought in around $100 million in domestic film rentals, the amount the studio, or distributor, receives after the theater owner is paid. "Star Trek II," which is also expected to do better than the original, has grossed more than $61.1 million at the box office since its release June 4. The original "Star Trek" earned $56 million in rentals. (Rentals usually amount to 40 to 45 percent of the box office gross. Some of these films have not been out long enough to begin to calculate an accurate rental figure.)

With the growth of sales of movies to cable and network television, producing a sequel is a sure way of lining up revenues in advance. The producers of "Rocky" had no takers for the television rights to the first "Rocky" until after it was a proven hit. For "Rocky II" and "Rocky III," the story was different. The network television rights to both movies were sold before either film was ever released. In the case of "Rocky II," network and cable television rights were sold for $21 million, while these sales totaled $28 million for "Rocky III."

There may be less risk in making a sequel, but it is not entirely risk-free. The history of sequels is replete with failures. Such movies as "Exorcist II," Paramount's "Grease 2" and "More American Graffiti" barely earned a fraction of what their popular predecessors' earned. Universal Pictures had hoped that "More American Graffiti" would do at least 40 percent of the business of the original "American Graffiti," which made $55.8 million in film rentals. But the second film, which cost four times more to make, didn't even earn 15 percent of the original. "You can't make up any rules about this," said Mr. Tannen, whose studio made both the original and the sequels to "American Graffiti" and "Jaws." The first rule, he said, "is that there are no rules."

SIMILARLY, the Paramount Pictures Corporation failed when it tried to recreate the success of "Grease," which cost $6.5 million to make and netted $96.3 million in domestic film rentals. The studio spent $10 million to make "Grease 2," which has drawn only $13 million at the box office. Barry Diller, chairman of Paramount, said the clearest reason for the failure of Grease 2 is "that on no level is it as good as the first. The quality isn't there."

In fact, quality grows more important in a sequel, movie makers say, because the public has an inbred suspicion of sequels, wary that they may be poor imitations of the original. "It's not enough to say I've got X movie and it did X dollars," said Sherry Lansing, president of 20th Century-Fox Productions. "When you do a sequel, it has to be better than the first. You can't slough it off."

There is the danger, too, of overdoing a movie. "In a perfectly ideal world, you would prefer an original because there's where the real breakthrough pictures come from," said Frank Price, chairman and president of Columbia Pictures Industries. "Sequels may be profitable, but it's hard to get the showmanship and the excitement than can happen with the original. With sequels, you might go to the well one too many times, and that isn't financially or creatively as rewarding as an original hit."

Sometimes, try as it might, a studio is unable to come up with a sequel to a hit that if feels is suitable for production. Even though "Close Encounters of the Third Kind" was one of the biggest box office draws ever, no sequel is in the works because director Steven Spielberg has not come up with a script that pleases him. "Many times people who do the original movie aren't interested in a sequel," said Mr. Price, whose studio produced "Close Encounters."

Nor do all hits lend themselves to a sequel. "I don't know how you could do a sequel to Hamlet," said Robert Chartoff, of Robert Chartoff-Irwin Winkler Productions, the co-producers of the "Rocky" sequels. "You have to have a successful film and one in which the third act is not literally the final act."

In some ways, sequels are a new twist on the old Hollywood theme of giving the public what it wants. "Movie studios don't dictate sequels, the public does," said Miss Lansing.

Once Was Not Enough

THE 10 BIGGEST ORIGINALS...SPAWNED A HOST OF SEQUELS

Ranked by distributor's share of box office receipts from original film, as of January 1982, in millions

Star Wars (1977)	$185.1	Empire Strikes Back (1980)	$134.2
Jaws (1980)	133.4	Jaws II (1978)	55.6
Grease (1978)	96.3	Grease 2* (1982)	7.0
Raiders of the Lost Ark (1981)	90.4		
The Exorcist (1973)	88.5	Exorcist II (1977)	13.9
The Godfather (1972)	86.3	The Godfather II (1974)	30.7
Superman (1978)	82.5	Superman II (1981)	64.0
Sound of Music (1965)	79.7		
The Sting (1973)	79.0		
Close Encounters of the Third Kind (1977)	77.0		

* Opened June 11, 1982

Source: Variety; Paramount Pictures

Mazda Gains With the Rotary Engine

By STEVE LOHR

HIROSHIMA, JAPAN

IT was nearly 20 years ago, in March 1963, that Kenichi Yamamoto was called into the office of the late Tsunei Matsuda, then the president of the Toyo Kogyo Company, and told that he would lead a team to develop the rotary engine as a practical source of power for automobiles.

"Frankly, I was not so interested in the rotary engine at the time," conceded Mr. Yamamoto, who is known as the "father" of the contemporary rotary engine and is now a senior managing director of Toyo Kogyo, the maker of Mazda autos. "I did not believe that an engine other than the conventional engine was possible."

Soon afterward, Mr. Yamamoto, an engineer, became a believer in the potential of the unconventional engine. But he was one of the few. Indeed the long, checkered history of Toyo Kogyo's efforts with the rotary engine is a story of technological perseverance in the face of considerable odds and financial adversity.

The case is also one of the most vivid examples of the difficulty and risk of doing one of the things that Japan does best: bringing to market — or commercializing — technology that originated elsewhere.

By contrast, the United States is strong in basic research. But, as Presidential science adviser George A. Keyworth and others have warned, America seems to have slipped in recent years in transforming scientific knowledge into products for the marketplace.

The rotary engine was invented in 1954 in West Germany by Dr. Felix Wankel in cooperation with Audi NSU Auto Union of West Germany. In 1961, Toyo Kogyo was among about 23 companies that licensed the technology from Wankel and Audi/NSU.

Today, Toyo Kogyo, Japan's third-largest auto maker, is the only auto maker in the world producing the rotary engine. Bigger and wealthier auto manufacturers, including the General Motors Corporation and the Nissan Motor Company tried without success to commercialize the rotary engine for automobiles. Both abandoned their projects because of problems with poor fuel economy and high exhaust emissions.

NOT that development went all that smoothly for Toyo Kogyo. Its executives occasionally had their own doubts about the wisdom of pursuing an unproven engine technology. And in the mid-1970's, as gasoline prices soared after the 1973 Arab oil embargo, it was largely the company's reliance on the rotary engine, which then got only 10 miles a gallon in city driving, that pushed Toyo Kogyo to the brink of financial disaster. Inventories, losses and debts piled up. From sales of 119,000 cars in 1973, Mazda's 1974 sales plunged to 70,000 cars. It had a 15-month supply of rotary engine cars at a time when a two-month supply was considered normal. In 1975, the company lost $57 million — the biggest loss in its history.

A spirited internal debate ensued. Eventually, Toyo Kogyo and its main financial backer, the Sumitomo Bank, decided not to abandon the rotary engine, though its production was scaled back, mostly for use in the company's high-performance sports car, the RX-7. The number of rotary engine-equipped cars sold by Mazda fell from a peak of 224,241 in 1973 to a low of 43,732 in 1977. Last year, the total of rotary-powered vehicles was 63,975. Toyo Kogyo also makes conventional piston engines and diesel engines.

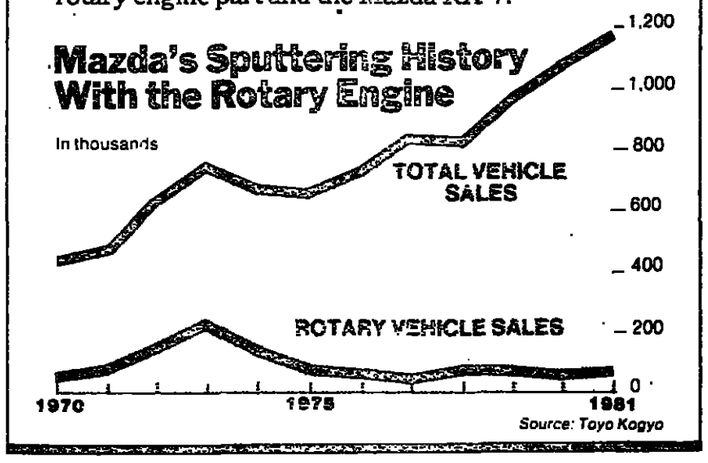
Now the company's rotary engine is comparatively fuel-efficient, getting 21 miles a gallon in city driving and 30 miles a gallon on the highway, and Toyo Kogyo is solidly profitable. In the six months ended April 30, the company reported that its earnings rose 13.5 percent from the comparable period a year ago, to $45.2 million, on sales of $2.5 billion, up 1.5 percent, from $2.46 billion a year earlier.

For Mr. Yamamoto, the rotary engine has been more than a marketing and engineering challenge, it has been a daily obsession from the start. This thin, intense man says he believes that there is a lesson in his company's experience. "For the development of new technology like the rotary engine," he explained, "you need consistent passion, not just logic."

Much of that passion was plain corporate pride, Toyo Kogyo executives concede. In the early 1970's, before all the problems with the rotary cropped up, the corporate motto was "Mazda is making history." For years, the rotary attracted some of Japan's brightest young automotive engineers to Toyo Kogyo, lured by the prospect of working on the rotary project. Thus, to admit failure publicly by abandoning it altogether would have been a great loss of face for Toyo Kogyo, in a country where corporate face matters very much.



Kenichi Yamamoto of Toyo Kogyo with a rotary engine part and the Mazda RX-7.



In Japan — as in the United States — corporate commitment tends to be measured by a double standard: A new product or technology is praised in fulsome tones when it has become a success. But when the new idea turns out to be a dud, the corporate commitment is usually deemed inflexibility on the part of management.

In Toyo Kogyo's case, the rotary engine was ultimately a modest success. It has become a marketable product.

Yet that achievement was expensive. Toyo Kogyo has spent an estimated $100 million on research and development of the rotary, in addition to the untold cost of sales opportunities missed by not having a fuel-efficient line in the mid-1970's.

IN 1961, Toyo Kogyo was mainly a producer of trucks, including three-wheeled vehicles sold throughout Asia. To become a full-fledged international auto producer, Tsuneji Matsuda, then the president, reasoned that Toyo Kogyo needed a competitive weapon that would give it a distinctive niche in the marketplace. A trained engineer, Mr. Matsuda chose as that weapon a new technology, the rotary engine.

In theory, the rotary engine had great appeal. It would be 30 percent lighter, 50 percent smaller and contain only a fraction of the moving parts of the piston engine.

By May 1963, Mr. Yamamoto had assembled a team of more than 40 engineers whose mission was to hone the German technology into a mass-production item. In April 1967, Toyo Kogyo began producing the rotary engine. "That's when we crossed the Rubicon," Mr. Yamamoto said.

The rotary engine that Toyo Kogyo produced in 1967 was almost entirely different from the German design it licensed six years before, except for the basic rotary concept.

But once that technical Rubicon had been crossed, there were to be other obstacles in bringing the engine to market. In the late 1960's, air pollution became a pressing concern and a political issue in the United States. In early testing, the rotary-driven Mazdas were found to be polluters, emitting high levels of hydrocarbons.

At the time, some scientists said the rotary engine could never meet the emissions requirements and would be relegated to being a museum curiosity. Yet by 1970, Toyo Kogyo was able to meet the American emissions guidelines through the development of a thermal reactor, a chamber for further burning its exhaust emissions.

STILL, Toyo Kogyo executives believed that the pollution controversy had blemished the reputation of the rotary. To burnish it, the company decided in 1972 to stretch to meet the much more stringent emissions control requirements then being proposed by Senator Edmund Muskie, Democrat of Maine. The approach of most of the auto industry was to fight the so-called Muskie bill. At hearings in Washington in May 1973 for the bill, only two companies testified, Honda and Toyo Kogyo. "The others just said it was impossible," recalled Mr. Yamamoto, who represented his company at the hearings. "They wanted to maintain the establishment."

Five months later, when the Arab oil embargo began, fuel efficiency replaced pollution control as the focus of public concern, and the Muskie bill was shelved.

But in redesigning the rotary to meet the requirements of the proposed Muskie bill, Toyo Kogyo had paid a stiff penalty in fuel economy. And it paid dearly for being out of step with a suddenly changed market. The rotary was branded as a Japanese engine with an American disease — it was a gas-guzzler. Inventories piled up.

Still, the company chose not to abandon the rotary engine. Its engineers believed that fuel efficiency could be improved considerably in a few years through a series of changes in fuel mixture, materials and design.

In 1974, Mr. Yamamoto became the chief of "Project Phoenix." His search for fuel-saving innovations was eventually successful: In 1981, when the RX-7 sports car, the hope of the rotary's future, was introduced in Las Vegas, it was an emotional moment for Mr. Yamamoto.

"The tears ran down my face," he recalled. "After all that difficulty, we came back."

The rotary engine is now used in only about 8 percent of Toyo Kogyo passenger cars. Though it works well as a sports car engine, the rotary engine tends to lose power at low speeds, a liability in stop-and-go driving. Mr. Yamamoto says a "supercharged" rotary that will have greater power at lower speeds will be on the market "in the near future." But Toyo Kogyo is not expanding capacity to meet any surge in demand for rotary engines.

Accordingly, it seems fair to ask whether all Toyo Kogyo's travails with the rotary were worth the effort. "All things considered, I think it has been extremely good for Toyo Kogyo," said John T. Eby, president of the Ford Motor Company of Japan, and who is a Toyo Kogyo director. In November 1979, Ford bought a 25 percent stake in the Japanese company.

Mr. Eby notes that the corps of engineers originally attracted to the company to work on the rotary has given Toyo Kogyo considerable strength in creating its own products, such as its highly successful front-wheel drive GLC/323, introduced in 1980.

WEEK IN BUSINESS

The producer price index rose 1 percent in June after four months of holding steady or declining, the Bureau of Labor Statistics said. The rise was largely attributed to higher prices for energy and new cars. It was the steepest jump in producer prices since March 1981, but analysts said that inflation might slow down, despite the rise, because of widespread weakness in the economy.

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A holding company controlled by Italy's scandal-ridden Banco Ambrosiano was declared in default on $300 million in debt by at least four major banking groups. Just before the default, the Vatican had named three banking experts, including Joseph Brennan, executive committee chairman of New York's Emigrant Savings Bank, to look into the Vatican bank's links with Banco Ambrosiano, including the Vatican bank's involvement in $1.4 billion of questionable unsecured loans by Ambrosiano.

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The nation's money supply rose by $5.9 billion, to $451.3 billion, in the week ended July 7, the Federal Reserve Board said. The gain reversed three weeks of declines totaling $9.5 billion.

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Manufacturers used less of their total capacity in June — 69.8 percent — than at any point in the past seven years, the Fed reported. The decline from the 70.4 percent level in May was the 10th drop in 11 months. Factory output fell 0.7 percent in June.

●

Retail sales fell 1.5 percent in June, the steepest drop since October, the Commerce Department said.

●

Abilene National Bank depositors withdrew more than 10 percent of the bank's deposits following reports that the bank lost heavily on energy loans.

The F.C.C. proposed to drop its ban on television network ownership of cable systems because it said cable no longer needed that protection. The F.C.C. also authorized a new data link that would not be dependent on local phone companies.

●

Nelson Bunker Hunt and his brother, William Herbert, signed a consent decree neither admitting nor denying S.E.C. charges they violated security laws by failing to disclose in timely fashion their purchases of more than 5 percent of Bache Group stock. The decree left unresolved regulatory questions raised by the 1980 silver crisis.

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Giddings & Lewis rejected as inadequate a $260 million takeover bid from AMCA International's American unit.

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I.B.M. income rose 24.4 percent in the second quarter, substantially above Wall Street expectations. Earnings of Warner Communications and MCI were up sharply, RCA gained 2.5 percent and Apple Computer rose 27.7 percent. Mellon's operating earnings rose 14.6 percent and Manufacturers Hanover was up 16 percent.

●

The U.S. ended economic sanctions against Argentina, although military sanctions remain in effect.

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED JULY 16, 1982
(Consolidated)

Company	Sales	Last	Net Chng
IBM	7,260,800	66¾	+ 4¼
Exxon	4,569,400	26⅞	...
ATT	3,129,300	53⅛	+ 1½
MesaPt	3,102,900	15⅝	+ 2⅜
Chryslr	2,931,000	8¼	+ 1⅛
Contill	2,672,500	17½	– ⅜
Tandy	2,671,900	30¼	+ ¾
AtlRich	2,618,900	39⅛	+ 2⅝
EsKod	2,543,000	78¼	+ 4½
DukeP	2,540,600	21⅝	– ⅛
GMot	2,468,700	46⅝	+ 1¾
Halbtnp	2,447,300	24⅛	– 1⅞
StOilCl	2,408,400	28⅛	+ ¼
CocaCl	2,341,200	37¾	+ 2¼
RalsPur	2,313,700	13⅞	+ ⅞

MARKET DIARY	Last Week	Prev. Week
Advances	1,109	941
Declines	720	533
Total Issues	2,098	2,071
New Highs	126	43
New Lows	165	227

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	318,782,230	7,115,259,316
Same Per. 1981	214,078,846	6,814,460,026

WEEK'S MARKET AVERAGES

New York Stock Exchange	High	Low	Last	Net Change
Indust	72.75	71.15	72.51	+1.45
Transp	54.60	53.93	54.23	+0.31
Utils	37.70	37.22	37.60	+0.55
Finance	61.81	60.92	61.17	+0.12
Composite	63.82	62.71	63.67	+1.13

Standard & Poor's

400 Indust	125.9	120.8	124.6	+2.93
20 Transp	17.9	17.1	17.4	–0.14
40 Utils	53.1	51.7	52.3	+0.41
40 Financial	12.2	11.7	11.9	–0.03
500 Stocks	112.1	108.1	111.0	+2.24

Dow Jones

30 Indust	837.3	814.6	828.6	+14.55
20 Transp	328 5	317.8	322.6	+2.10
15 Utils	109.2	105.8	107.3	+0.55
65 Comb	323.7	316.0	320.7	+4.04

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED JULY 16, 1982
(Consolidated)

Company	Sales	Last	Net Chng
DomeP	2,044,400	4 7-16	+1-16
ChmpH	812,300	3⅛	+ ⅛
Wang B	482,700	29¼	+ ¾
Heizer n	349,500	7⅞	+ ⅛
OzarkA	341,800	11⅛	+ ½
RangrO	337,400	15-16	+1-16
GlfCd g	309,400	10⅞	+ ¼
ChftD g	272,200	16¼	– ⅜
HouCTr	266,800	12⅛	– ⅛
PalfCp	244,500	28⅛	+ ⅞

MARKET DIARY	Last Week	Prev. Week
Advances	397	327
Declines	344	377
Total Issues	907	899
New Highs	26	16
New Lows	79	92

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	18,135,895	563,176,165
Same Per. 1981	20,627,500	773,531,510

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*

ARTHUR OCHS SULZBERGER, *Publisher*

A. M. ROSENTHAL, *Executive Editor*
SEYMOUR TOPPING, *Managing Editor*
ARTHUR GELB, *Deputy Managing Editor*
JAMES L. GREENFIELD, *Assistant Managing Editor*
LOUIS SILVERSTEIN, *Assistant Managing Editor*

MAX FRANKEL, *Editorial Page Editor*
JACK ROSENTHAL, *Deputy Editorial Page Editor*

CHARLOTTE CURTIS, *Associate Editor*
TOM WICKER, *Associate Editor*

JOHN D. POMFRET, *Exec. V.P., General Manager*
DONALD A. NIZEN, *Sr. V.P., Consumer Marketing*
LANCE R. PRIMIS, *Sr. V.P., Advertising*
J. A. RIGGS JR., *Sr. V.P., Operations*
JOHN M. O'BRIEN, *V.P., Controller*
ELISE J. ROSS, *V.P., Systems*

Starting Over at State

The Reagan Administration now has a Secretary of State who knows his President and also the ways of Washington. On the path to unanimous Senate confirmation, George Shultz never once crowded his leader, ruffled Congress or misled other governments. In the place of the temperamental General Haig sits a confident, impressive diplomat.

But even Mr. Shultz does not really know how well he understands the world in which he suddenly finds himself. And he has less time to learn than any American foreign minister in memory.

He joins a disorganized foreign-policy team that has asserted too many ambitions without making hard choices. It has wanted both arms control and military supremacy. It has wanted strong allies and economic policies that injure them. It has wanted alliance with Israelis and Arabs without facing the problems between them. It has wanted third world friendships and stability without paying much for them.

This term is too far gone for many creative new starts. And as Henry Kissinger wrote, "The most difficult task for any Secretary of State is to impose a sense of direction. . . . Even someone who, like me, had spent his lifetime on the study of foreign policy — and whose hobby it was, to boot — was sometimes overwhelmed."

To leave his mark, George Shultz needs to choose a few targets of opportunity. An obvious one is the Middle East, where he has been shrewd and quick. The most critical area is arms control, about which he has much to learn.

To the bargaining over Lebanon, Mr. Shultz's first comments contributed a wise concern for "a central reality" — the fate of the Palestinians. He offered to be an energetic partner in defining the rights of those who favor coexistence with Israel. And he signaled resistance to the Begin Government's annexation of the West Bank.

These views are not notable because they mark a change in policy. Mr. Shultz held firmly to the principles, even the language, that Israel, Egypt and the United States proclaimed at Camp David. He was, however, finally assuming Washington's responsibility for the "full autonomy" promised to Palestinians. And by thus forcing the pace of diplomacy, he may greatly strengthen moderates in Israel and the region.

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Comparable activism could invigorate the strategic arms negotiations with the Soviet Union. But on this subject, Mr. Shultz clung hesitantly to his President's ambiguities.

He repeated the misleading claim that "we stood still" during a decade of Soviet military buildup. He spoke of arms control as "inevitably linked" to Soviet conduct. He blamed "diminished American strength" for Soviet expansion — without reckoning whether Afghanistan or Poland were Soviet gains and without factoring in China and the Middle East.

Secretary Shultz has a humanist's appreciation of the risks of war. He is, by profession, a conciliator. But to stabilize the Soviet-American rivalry, he will have to challenge the clichés in his military briefing papers, develop personal ties to the Soviet leaders and persuade the White House to let him assert workable strategies for arms control and trade.

If intelligence and temperament count, Mr. Reagan has a promising midterm recruit. What would count even more is for the President to recognize, at last, how badly he needs to let someone take charge of diplomacy.

The Unsinkable Carrier Admirals

Preparing to fight the last war is an old military failing but an understandable one: the next war is not available for study. Less understandable is why the Reagan Administration is preparing to fight the war before last, ignoring the main, fiery lesson of the Falkland conflict.

It dramatized the high vulnerability of surface ships to attack by computer-guided missiles. Yet the U.S. Navy is still pressing forward with its record $168 billion, five-year procurement program. That is pure folly. The program is not only vulnerable to the current mood of budget-cutting; it should be extensively re-thought, on the merits as well as the money.

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The whole program reflects the thinking of the carrier admirals who have dominated strategy since Pearl Harbor. The Navy has 13 large carriers including four nuclear-powered behemoths, with a fifth building. Upgrading eight 80,000-ton conventional carriers assures to the end of the century the 12- or 13-carrier fleet deemed sufficient by three previous Administrations. But the admirals want a surface fleet built around 15 big carrier battlegroups. Congress is being pressed for two more 90,000-ton, nuclear supercarriers at a cost of $17 billion each, including planes and escort ships.

The Reagan Administration's original case for two more nuclear supercarriers was that their high performance jets could brave Soviet land-based air and missile defenses off the north cape of Norway and pursue the Soviet Navy into its lairs at Murmansk and Vladivostok. For other carrier roles — like outmatching the Soviet surface fleet at sea and dealing with brushfires — the present mix of flattops was seen as adequate. But now the Pentagon's argument is shifting.

The Soviet Union has better missiles than the $200,000 Argentine Exocet that wiped out a $50 million British destroyer — and many more of them. It could also dispatch land-based air against an American fleet attacking the homeland. This attack mission has, in any case, long been deemed impossible by such authorities as Admiral Zumwalt, Senator Hart and former Defense Secretary Schlesinger. They favor dispersing seaborne air on more smaller flattops.

Navy Secretary Lehman's response is that supercarrier battle groups are now also needed for brushfire wars, and that their defenses could defeat the guided missiles acquired by many third world countries. The choice, however, is not between big or small carriers. No one asks the Navy to abandon the big carriers it already has, more than enough for brushfires. The question is whether it needs two more and whether it is misguided in the nature of its planned buildup from a 450- to a 600-ship fleet.

The Soviet Navy has no big carriers and is building none. Its threat stems mainly from 250 submarines that could attack the sealanes to Europe and the Persian Gulf. The antidote is more hunter-killer submarines, more frigates and destroyers for convoy duty and some small carriers for planes and helicopters that pursue submarines.

The Falkland experience should finally prove that World War II doctrines are out of date. It is yet another reminder that even in asking the Pentagon to list everything it would like, the Reagan Administration has not met its duty to discern what America's forces really need.

Topics

More Bark Than Bite

Appetite for Monsters

Summer is back and a new monster has been discovered. It's a 30-foot sea serpent, it lives in the Chesapeake Bay and, like other strange beasts sighted there before, it will have to endure the indignity of being nicknamed Chessie — after Nessie, the doyen of monsters in Loch Ness.

This being the 20th century, we demand higher standards of proof than mere seamen's tales or maps tagged "Here Be Monsters" in corners the cartographer wasn't sure how to fill in. Our monsters must be recorded on film, and indeed Robert Frew, Chessie's discoverer, has a three-minute videotape of the creature's appearance. We understand the sound track is particularly impressive, with Mr. Frew and his wife shouting urgent warnings to swimmers being undulated upon; the pictures, apparently, are harder to interpret.

Cameras provide fine evidence, of course, but we wish monster spotters would open their eyes less wide in sizing their beasts. True, Chesapeake Bay is a big place, and even a single 30-foot serpent could escape attention for some time. But when you think of it, Chessie must have had two parents, four grandparents, the same number of cousins as the rest of us — in fact there must have been a regular population of gigantic serpents placidly plying the Chesapeake while nobody noticed.

Why can't someone produce some pint-sized monsters, small enough to live in discreetly unobtrusive populations, and no bigger than a reasonable person could comfortably swallow?

■

Old Scores

Monteverdi's "The Coronation of Poppea," is one of the earliest grand operas, first produced 340 years ago. Now the Baroque work awaits a more startling reincarnation in a midtown disco, where it will be scored for electronic instruments and performed by rock singers.

Gussying up classics is an old story, but what charmed us was the breathless encomium offered to "Poppea" by John Haber, co-author of the English libretto: "The opera has sex, violence, politics — everything. It's so contemporary. It's a wonderful piece."

Where has Mr. Haber been all these years? There's hardly an opera in repertory that isn't rooted in sex, violence and politics, usually blended. Consider "Tristan und Isolde" (or any Wagner), or shockers like "Tosca," seductive works like "Don Giovanni" and "Rosenkavalier," modern masterpieces like "Peter Grimes" or "Moses and Aaron."

It is characteristic of every generation to believe it has rediscovered what sin is all about. But we're glad that Mr. Haber and his collaborators are beginning to realize what's been going on all these years at the Met.

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Reading Tree Leaves

Care to guess how many trees there are in Central Park? Guesswork will not be needed when a team of 20 interns — graduate forestry students all — completes its inventory of park trees whose caliper is more than six inches. "Caliper" refers to the diameter of a tree at a level four feet above ground.

The purpose of the census is not merely an exact count. The inventory is needed to determine how various species are prospering, what kinds of erosion or disease require attention and how much lesser species are crowding out and endangering some of the most beautiful or stately. The count will rate the condition of trunk, roots and crown, or leaves, and it will be computerized. For easy future reference and comparison, the park has been divided by an imaginary grid into 400-foot squares, each tree identified by the square in which it stands.

The study is being paid for by private contributions. Perhaps the sponsors might have recouped something by selling raffle chances, the winner to be whoever came closest to guessing the tree total. But the benefactors lack the raffle mentality. What they're trying to do, after all, is avoid leaving the park's future to chance.

Letters

Dartmouth's Student Loan Plan Is a 'Step Forward'

To the Editor:

Your July 11 editorial "The Dartmouth Dodge," opposing the issuance of tax-exempt bonds as a means for private colleges and universities to fund student loan programs, fails to recognize both the essential role of private institutions in America's system of higher education and the basic principle of the right of our states to issue tax-exempt securities for public-purpose undertakings.

In its effort to restore this nation to economic health, the Federal Government has reduced, in relative terms, its financial aid to students. This has shifted to the states and schools responsibility for providing qualified students with financing that will help them to attend educational institutions.

To deny young people, because of a lack of available loan funds, the quality education they want and deserve would jeopardize the future of society at a time when nurturing our best minds and talents should be among our paramount objectives.

A major source of U.S. strength for more than two centuries has been the interrelationship between public and private colleges and universities.

New Hampshire and several other states have recognized the need for the availability of additional financial-aid resources for students; they have also perceived the fairness of allowing private colleges and universities access to the same source of capital for their loan programs — the tax-exempt securities market — that public educational institutions draw upon.

Congress has acknowledged the public good that is furthered by the states' availing themselves, through the issuance of tax-exempt securities, of lower-cost funding for facilities and other programs deemed important by the states — including projects for state-supported higher education.

Thus, at a time when states and schools are expected to take on greater portions of overall educational costs, it is difficult to accept criticism of legislative action by New Hampshire and other states to extend to private colleges and universities similar means of investing in the college students of our country.

Dartmouth's new student loan program and the New Hampshire legislation that made it possible constitute a reasonable approach to providing needy students with help in financing their collegiate education.

The bonds that have been sold to private investors are the sole financial obligation of Dartmouth, not the state or the Federal Government. Since the college bears the risks of repayment, it is only proper that Dartmouth determine, within the context of policies established by the state, a student's qualifications for receiving loans.

New Hampshire is proud of its resourcefulness. The fact that it has responded to the Administration's call for local initiatives, and that it has made it possible for Dartmouth and other schools in the state to use their resources to help provide student loans is hardly a "dodge."

Rather, it is a "step forward" in assisting talented youth to obtain an education that will enable them to find fulfillment and assume leadership roles in a society that, fortunately, still demands excellence.

DAVID T. McLAUGHLIN
President, Dartmouth College
Hanover, N.H., July 14, 1982

Use TV in Court for the Record, Not News

To the Editor:

In Ron Tindiglia's Op-Ed article (July 10), he suggests, for the public's sake, that the New York Legislature allow television cameras into the courtroom. While obviously the public has the right to know and an audio-visual record of court proceedings may well be in the public interest, it does not follow that this audio-visual transcript should be made available for broadcast.

Mr. Tindiglia makes the point that other states have authorized electronic coverage, and he claims the experience of these states demonstrates a public benefit without adverse effects. How can such a claim be made? What do we know of the long-term effects on trial proceedings or on public perceptions of the judicial system?

There must be a distinction drawn between an audio-visual record of trial proceedings as an adjunct to a stenographic record and an audio-visual record that will be broadcast. By its very nature the camera is selective — it is deep but not broad. The stenographic record, while broad, cannot explore the emotions of the participants as the camera can. And that is the camera's danger when we use it to broadcast excerpts and highlights of trials. As Mr. Tindiglia admits, broadcasters would air newsworthy portions of trials. "Newsworthy" here can be read as "sensational."

The audio-visual recording of trial proceedings should be used as a record of the trial just as the stenographic record is. And in this sense, it can further the aims of justice.

When trial proceedings are broad-



cast, however, they necessarily tend toward the sensational because of the inevitable pressures imposed on broadcasters by our commercial system. Grist for the ratings mill has nothing at all to do with the public's right to know.

HENRY F. MAZEL
Professor of Television
New York Institute of Technology
New York, July 12, 1982

Encouraging Fans To Vote for Excellence

To the Editor:

In the news story by Joseph Durso [July 12], "Questions Rumble Below All-Star Surfaces," it was indicated that "many people in baseball think that the biggest problem with the All-Star Game lies within the voting system."

May I suggest a different voting system called "approval voting"? Instead of restricting fans to one vote per position, it would allow them to vote for, or approve of, as many players as they consider the most qualified for that position.

Thus, a fan might vote for just one player if he considered him far and away the best for that position, but if he thought there was more than one top-rank player for that position, he could vote for the two or more he considered of all-star caliber.

This new system would discourage fans from voting for just their hometown favorites and encourage them to vote for other first-class players as well.

Fans, I believe, given a chance, would vote for *all* players they believe to be the best.

Thereby the election would become more than a popularity contest with a local bias and lead, as a consequence, to a more equitable selection of all-stars.

STEVEN J. BRAMS
New York, July 12, 1982

'Avaricious' Sea Law Sensibly Rejected

To the Editor:

The Times makes two fundamental mistakes in its discussion of the Law of the Sea Treaty [editorial July 13]. The first is to assume that any mining is feasible under the treaty; in reality, the treaty is enormously hostile to private investment, having been drafted to discourage, not encourage, deep seabed mining.

The second is to ignore the very real precedential impact of this treaty on other international economic and political negotiations. It institutionalizes international income redistribution under the control of the third world, mandates transfer of American technology and creates a regime of international democracy for nations that are manifestly anti-democratic.

The Reagan Administration did the only sensible thing in rejecting this avaricious grab for the resources, money and technology of the industrialized nations.

DOUG BANDOW
Washington, July 13, 1982

The writer is former deputy United States representative to the Law of the Sea Conference.

Afghans in 'Immigration Gulag' Deserve Mercy

To the Editor:

You are to be commended for editorializing [June 17] in favor of mercy for the Haitian 53 being held in indefinite detention by the Immigration and Naturalization Service at its jail in Brooklyn. Not mentioned, but just as deserving, is the group of Afghan refugees also being detained.

There is no legitimate reason for the Immigration Service to keep the Afghans in detention without provision for release on bond while they await action on their requests for political asylum. These people, who fled from Russian domination and persecution, have relatives here capable of supporting them while their cases are pending and who are willing to post bond to guarantee their appearance.

The Afghan refugees have been imprisoned for months at considerable expense to the Government while the Immigration Service dawdles. One, Mohamad Walai, was denied political asylum on May 14, 1982. On May 19 he petitioned the Board of Immigration Appeals in Washington.

For the appeal to be heard, a transcript of the exclusion hearing is necessary. It took the Immigration Service seven weeks to prepare the transcript. Upon complaint to the service, the response was, "Sorry, we have only one transcriber for the Brooklyn detained cases."

Upon complaint to the United States District Court, habeas corpus was denied and the judge refused to order the service to quickly provide the transcript. He did not want to interfere with the way the service processes its cases.

Also jailed are three brothers, one a teen-ager. On May 25, 1982, the Department of State was requested to evaluate their applications for asylum. Fifty-five days later there is still no response. The brothers wait, numbed, in jail for proceedings that may take months or years to complete.

Refugees who are not charged with any crime are jailed indefinitely in Brooklyn. The Federal courts provide no relief. It is time the public raised its voice against the immigration gulag.

CHARLES ARONOWITZ
New York, July 16, 1982

The writer is counsel for several of the Afghan refugees.

What This Country Needs Is an Interstate Banking System

To the Editor:

The unfolding developments with regard to the bankruptcy and liquidation of the Penn Square Bank of Oklahoma City make a strong case for interstate banking.

The widespread difficulties for the banking system in the aftermath of this local case of mismanagement reflects the disability suffered by the banking system generally because of regulations against interstate banking.

Why was the capital of the Seafirst Bank in the State of Washington or that of Continental Illinois in Illinois or of Chase Manhattan in New York impaired by the mismanaged lending policies of Penn Square in Oklahoma City? For only one reason: these large banks were operating in states where the recession had reduced the possibilities of high earnings on large commercial loan demand.

In order to maintain earnings, they sought to lend funds in what appeared to be the most profitable and rapidly expanding segment of the economy, the oil drilling business. But since regulations limited their principal credit focus to their own banking districts, they found it convenient to use intermediaries who were, in effect, brokering loans from the high money demand energy area.

Thus, they fell into the hands of the inadequately screened, careless lending structure of Penn Square. This does not excuse any inadequate screening or lending policies on the part of these larger wholesale banks.

But, one must ask whether this financial disaster would have occurred if Seafirst, Continental Illinois or Chase Manhattan were national institutions with affiliated lending offices operating in Oklahoma, conversant with the local situation, obligated because they were on the ground to make their own credit checks and continuing investigations. Certainly there would have been no disaster on this scale, no threat to the security of important segments of the banking system.

Financially, the United States is one market. The Penn Square episode and its aftermath underline the absurdity of limiting the major financial institutions to small segments of that market and leaving them vulnerable to acting as "innocents abroad" in their own land.

Capital must have mobility and the present regulations immobilize too much capital, too often, too dangerously. It is time that the banking system recognize that this is one nation indivisible. Bigness is less of a threat to free commerce than are crippled giants stumbling blindly through the financial landscape.

Congress should act to replace our antiquated regulations, which unrealistically and dangerously lock banks into the states of their incorporation.

STEPHEN A. LEIBER
Mamaroneck, N.Y., July 9, 1982

The writer is an investment manager.

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

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هكذا من الأصل

Time for Palestinians To Be Realistic

By Jamil Hamad

BETHLEHEM, Israeli-Occupied West Bank — When Beirut's siege is resolved, what will happen to the Palestinian people in the West Bank, Gaza and the Palestinian diaspora? Where will they go? To whose tune? What will be their relations with Arab governments? Will Israel then be able to carry out its plans for the occupied territories with no resistance or opposition?

One must be an exceptional prophet to foretell the future in the Middle East, where Western rules and logic are often overrun by emotionalism, personal bitterness and religious ferment. I am a Palestinian refugee and have lived on the West Bank since 1948, and even I do not know what will happen.

One thing is certain, however: Palestinian militants may be driven from Lebanon and denied an operational zone or access to a border with Israel, but four million Palestinian people will not relinquish their hopes or their demand for a homeland.

The Arab countries that take in the

4 million people won't stop hoping for a homeland

Palestinian militants leaving Beirut will restrict the Palestinians' activities. Leaders of the Palestine Liberation Organization have delayed leaving Beirut because they know they will become mere pawns in the games of Arab rivals. But the Palestinians' national identity will only be strengthened by Israel's punitive war, the refusal of help from Arab countries in this last hour and the silence of the world. These blows have only fueled the Palestinians' bitter rage. Their identity cannot be eradicated by tanks, planes or armies.

Palestinians will not forget the passivity of the Arab countries — as they have not forgotten the massacres of Palestinians in Jordan and Lebanon in the 1970's. Dissident opposition factions in Arab countries will turn this Palestinian bitterness into a powerful political weapon. We can anticipate attempted military coups against several Arab governments, like those after the Arab defeat in 1948. The United States should expect a tougher, less flexible line from countries such as Saudi Arabia, Jordan, the gulf states and Egypt as they try to pacify dissident groups.

The Palestinians in the West Bank and Gaza will face Israel alone, just as their countrymen in Lebanon faced Israel alone. We can expect Israel's policies in the occupied territories to serve as midwife to a new Palestinian movement that will confront Israel directly, free from the pressures of Arab powers who would use the Palestinian problem for their own purposes.

Today, as the war in Lebanon drags on, there is a pervasive mood of abandonment, loss and resignation. The rage of some Palestinians in the occupied territories will give birth to a new Palestinian movement more intense and more terrifying than the previous one. But what will come of other Palestinians' abandonment, loss and resignation? Will it give way to a final collaboration, a selling out, an acceptance of the occupier? These are two options open to local leaders in the West Bank and Gaza. But is there not a middle road between collaboration and guerrilla warfare?

Some West Bank leaders and mayors are already edging their way toward the Israelis. Some Palestinians are beginning to "go along with" the Israeli civil administration in the West Bank, which was boycotted in the past. If this continues, it can lead only to giving up the Palestinian problem to Israel, putting the solution into Israeli hands and voluntarily silencing the Palestinian voice.

But will the Palestinians be driven to accept Defense Minister Ariel Sharon's decree that Jordan — and not the West Bank — is the ordained homeland of the Palestinian people? Already Jordan faces growing internal dissension from its large Palestinian population, which arrived in 1948 and 1967. A Palestinian power block would be unacceptable to King Hussein, who has been humiliated by Iran's victory over Iraq and threatened by Mr. Sharon's proposal of a Jordanian-Palestinian "homeland." He has already begun to arm Jordanian civilians and Bedouins in anticipation of Palestinian unrest. Are the Palestinians to be sent into another potential Lebanon? No, there is no secure homeland for them in Jordan.

The Palestinians must take a hard look at their priorities and their regional and international alliances. A middle road must be found to preserve their aspirations, their identity and their dignity. Otherwise they have only the choices of war or surrender. Palestinian leaders cannot afford to hesitate. They must outline a solid, realistic strategy. They must remember that they are responsible to their own people — not to Arab powers or outside interests — and they must grab the reins of leadership.

Leading Palestinian representatives from the West Bank, Gaza and the Palestinian diaspora should convene in a neutral European country to write a new covenant, draw up a new diplomatic strategy and present a peaceful initiative to Israel. The most visionary Palestinian leaders are all too aware that the future of the Palestinian people cannot rest on begging for help from other nations, nor does it lie in fighting brush wars or creating internecine rivalries. And it cannot depend on Israel.

The current Palestinian power vacuum will not be a vacuum for long. If the Palestinian people want self-determination they must seize it. The Lebanese war must not dash the hopes of Palestinians but rather challenge them to take charge of their own destiny.

If the Palestinian people cannot forge a realistic proposal for the future, they should cease crying for that future. If the Palestinian people cannot seize their own destiny in the wake of this war, then they do not deserve that destiny.

Jamil Hamad is a Palestinian journalist.



'The Opus Eponymy': Theory and Practice

By George E. Felton

COLUMBUS, Ohio — There is something funny going on in book titles. I first noticed it in a bookstore looking at Robert Ludlum's latest thriller, "The Parsifal Mosaic." Beside it were a lot of his others: "The Bourne Identity,' "The Matarese Circle," "The Chancellor Manuscript," "The Scarlatti Inheritance." It doesn't take a genius to see that here's a man who's not only onto something, he's wrestled it right to the floor.

I got to wondering if anybody else knew what Ludlum knew, so I scanned the fiction section. A fellow named Trevanian may not believe in full names, but he knows a good formula: "The Eiger Sanction," the blurb told me, is about an art professor who assassinates those who deserve it while he's climbing mountains. He descends and reappears in, you could have guessed it, "The Loo Sanction." Ludlum was not alone.

In fact, much of popular fiction is a study in bookstore inbreeding, and a lot of the kids look alike: "The Roman Enigma," "The Janus Imperative," "The Miramar Seduction," "The Artemis Sanction," "The Owlsfane Horror," "The Gaza Intercept." It all becomes mysterious, horrors and enigmas marching toward the apocalypse, and that seems to be the point of these titles: they intrigue us, even threaten us, without telling us a thing so we have to buy the book for details.

I looked up from the fiction section and around at the rest of the bookstore. Pop psychology? We've got "The Aquarian Conspiracy," "The Cinderella Complex," "The Mary Myth." Books about sex? "The Hite Report," The Homosexual Matrix," "The Bisexual Option." Religion? "The Screwtape Letters" and "The Terminal Generation."

It's amazing. It seems like we have a choice here: either scream and head for a monastery or climb on board ourselves. I say why leave it to the pros? We can all get in on this, no matter what we're writing: a novel, an essay, a letter to Mom. So here are a few simple tips.

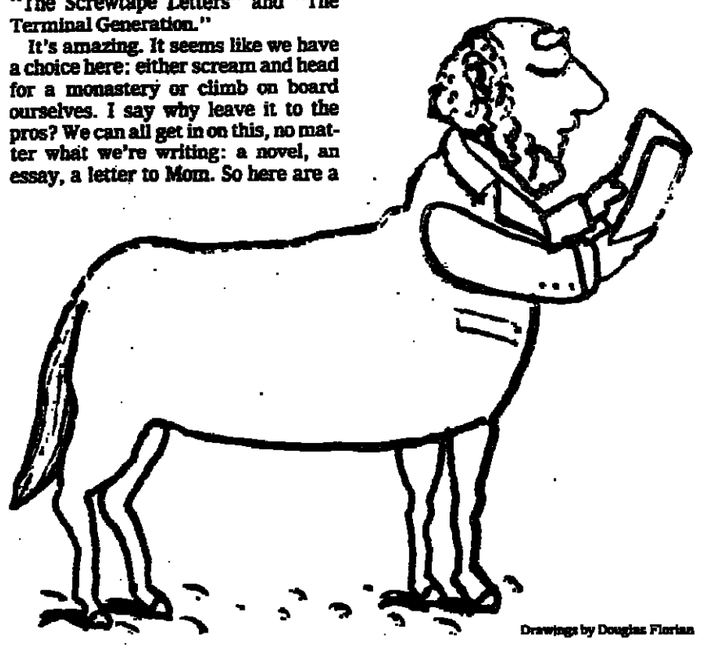
Word No. 1: Always start with "The." Would you read a book with a name like "An Andromeda Strain?"

Word No. 2: This is the critical choice. When in doubt, go for a proper noun. "Bisexual" has its power, as we've seen, but how can you lose with Hellstrom, Odessa and Poseidon? Names like Poseidon from Greek mythology are especially effective. Otherwise, haul out the phone book; your neighbors are more exciting than you think. In the G's I found Glasspoole, Glazebrook and Gnezda, and I can already see the dim outline of a C.I.A. agent in big trouble in Istanbul. Or put your faith in geography. Saskatchewan may be the farm belt of Canada, but its cities don't sound like it: Moose Jaw, Kamsack, Maidstone.

Word No. 3: The *only* place to go is the thesaurus. We're looking for a general noun that suggests high level nastiness: conspiracy, plot, complex, formula. But these are withering from overuse. Enter Roget and we get "cabal" or "faction" to take the place of "conspiracy." The world seems new again. So if you can find one word that has something to do with what you're writing, go to the thesaurus for an upscale version.

So there you have it. Remarkably simple, and from the looks of the bookstores, hard to argue with. Shakespeare was good enough to get along without flashy titles. His idea of an acceptable title was "Henry IV, Part One." But let's face it, wouldn't you rather pick up something called "The Boar's Head Legacy?"

George E. Felton teaches English at the Columbus College of Art and Design.



Drawings by Douglas Florian

Playing The Lebanese Numbers Game

By Edward Luttwak

WASHINGTON — A recent advertisement by a major oil company contends that "35,000 people have been killed or wounded in Lebanon." By not mentioning the Palestine Liberation Organization, it suggests that the Israelis are waging war on "the innocent people of Lebanon." Others have declared that hundreds of thousands of Lebanese have been made homeless by Israeli bombing. And it has even been said that the Israelis have killed "thousands of children." Now that the first reliable reports are coming out of the war zone, it is, of course, being discovered that all these numbers are wild exaggerations inflated by 1,000 or 2,000 percent. That is scarcely surprising because the original numbers were merely the products of P.L.O. propaganda. Moreover, as the "innocent people of Lebanon" are beginning to speak to reporters, it is becoming evident that the vast majority of Lebanese of all faiths deem themselves very fortunate to have been rescued from the disorderly abuses of the P.L.O. — and that, too, is not surprising because long-term occupation by undisciplined gunmen inflicts far worse suffering than short and sharp military action, however powerful in effect.

A far more interesting question is the reason why. What were the reasons that induced so many of our opinion makers to repeat and endorse the false numbers? What was it that persuaded columnists and editorial writers, assorted religious leaders, including Jews, and even some leading members of the Reagan Administration to believe the P.L.O. — not a reliable source by any standard?

The issue is crucial because it was the apparent magnitude of the casualties and the apparent extent of the destruction that prevented people from considering the ultimate consequences of the Israeli invasion, which may yet turn out to be extremely beneficial for both Israel and the United States. It seems, then, that there was a predisposition to believe the worst of Israel. Prime Minister Menachem Begin and Defense Minister Ariel Sharon are bellicose enough, but it is nevertheless fundamentally implausible that Israel and the Israeli armed forces would deliberately engage in massacre. To believe that, one must ignore such Israeli actions as the warnings given to the populations of Tyre and Sidon — warnings that cost the Israelis the advantage of surprise. There had to be a predisposition to see the invasion in the worst possible light.

The motives of the oil company and the like need not detain us: nothing is more understandable than the desire of an oil company to curry favor with Arab oil producers, by paying for political propaganda if need be. Then, of course, there are those who still believe that the United States could obtain great things from Saudi Arabia and the Arabs in general were it not for its support for Israel — thus ignoring the true meaning of the most fundamental Arab objection to Israel, which is precisely its Western character. In the profound cultural resentment of Arab Islam against the West, Israel is merely a salient irritation. Popular opposition to any government that would ally itself too closely with the United States would persist, even if Israel were to disappear from the scene, just as it persists in the case of the Soviet Union — which cannot shake off its cultural identity no matter how loudly it proclaims its opposition to Israel. The demonstrably anti-Israeli France of Charles de Gaulle and Georges Pompidou had the same disappointing experience. But perhaps it is just too much to ask that our enthusiasts for a Saudi alliance should actually listen to what Arabs say and write on the matter. These enthusiasts already know the truth — as conveyed by genteel diplomats, public relations men and oil companies.

But neither crudely commercial motives nor a profound ignorance of cultural fundamentals will explain the attitudes of the liberal-left opinion makers who eagerly seize on the fabricated numbers to sustain their violent criticisms of the Israeli attack upon the P.L.O. Far from being in the same camp as the oil company, most of them detest Big Oil; far from being deluded about a Saudi-American entente, most of them see it as a hopeless partnership. In the case of such liberal-left opinion, quite different motives are at work: by doing what they did, the Israelis upset a fundamental expectation of how events should develop in the struggle between a Western power and a liberation organization or liberation front. That a city should be divided by armed struggle is, for example, very much in order, but that city should have been Tel Aviv not Beirut. That one side should win militarily with self-assurance, high morale and great skill also falls within the expected pattern, but that side should have been the P.L.O. in Galilee, not the Israelis in Lebanon. It is not that the P.L.O., as such, enjoys sympathies that deep; on the contrary, Israel no doubt would, if it came to that, retain the ultimate support of most of its present critics. It is rather that liberal-left opinion is profoundly uncomfortable with military victory — unless it is won by a liberation front for this or that. The West is not *supposed* to win; its proper role is to be defeated, hence the increasing liberal-left discomfort with Israel ever since 1967. And to compound the offense, by pursuing the P.L.O. all the way to Beirut, the Israelis have reawakened latent memories of our own failure to resolve the agony of Indochina by taking the war to its source, in Hanoi. What we fear to do, the Israelis have now done, and it is too much to expect that we should not resent their achievement.

Edward Luttwak is a research professor at Georgetown University.

WASHINGTON

'Leave It to George'

By James Reston

Every new Secretary of State since John Foster Dulles has vowed to stay home and preside over the definition and direction of the nation's foreign policy, but the call of the wild blue yonder has been too much for them. George Shultz may be different.

If our information is correct, he plans to concentrate on the philosophy and strategy of U.S. policy abroad during the next few months and leave the detailed negotiations on specific problems to experienced men, some of whom have preceded him at the State Department.

For example, the negotiation of an end to the Lebanese war, leading to a general settlement of the Palestinian problem, dominated his confirmation hearings before the Senate Foreign Relations Committee, and he is now talking about recruiting former Secretaries of State Cyrus Vance and William Rogers, the former Governor of Pennsylvania, William Scranton, and Saul Linowitz to help ease or resolve this problem.

No doubt Secretary Shultz would add Henry Kissinger to this list, and will certainly consult with him, but Mr. Kissinger is not Ronald Reagan's favorite diplomat, and vice versa, and besides, Mr. Kissinger is not available for the protracted Middle East negotiations that probably lie ahead.

George Shultz is not likely to leave his post in Washington for weeks on end to fly around the Middle East trying to compose the ancient quarrels between the Jews and the Arabs, as Henry Kissinger did, with some success; or to shuttle across the oceans and the continents, as Al Haig did, to try to settle the battle for the Falkland Islands.

Too many other things happen when the Secretary of State is away dealing with some corner or cross-road of the world, and no Secretary of State since George Marshall or Dean Acheson at the end of the last world war has faced such a catalog of daunting foreign and domestic political problems as Mr. Shultz faces now:

- The alliance of the free nations, which has maintained a balance of power for over two generations, is now in serious trouble. The Western European allies don't believe in the Reagan Administration and vice versa.
- On the larger issues of world strategy, U.S. relations with Moscow and even with Peking are worse today than they have been in some years, and the irony of this is that President Reagan thinks they're better.
- Since the President, for dubious reasons, made a world issue out of the internal struggles of Central America, and for good reasons, opposed the use of military force by Argentina in the Falklands, the relations between Washington and Latin America, envenomed by the invasion of illegal aliens from the south, obviously require the attention of a thoughtful mind at the head of the State Department, and a more cooperative relationship with the White House and the Congress.

The accumulation of these differences in the world has begun to increase differences at home. There is now a public outcry in the universities, the churches, and even in the town halls of America against the Administration's military budget and its efforts to maintain a nuclear arms balance in the world.

In frustration over arms policy, trade policy and the continuing rise in unemployment and interest rates throughout the free world, we are also beginning to hear nationalistic and even isolationist cries for protectionism and the withdrawal of U.S. military forces from Europe and Korea, which of course, is precisely what the Soviet Union has been aiming at ever since the end of the last world war.

Even the Republican leader of the Senate, Howard Baker of Tennessee, remarked the other day that he hoped nobody would introduce a resolution calling for a withdrawal of American forces from Europe or the Far East, "for in the present mood of the Congress," he said, "I couldn't be sure how it would come out."

So George Shultz is not coming aboard at an easy time, with all these problems and an election ahead too, but he has a lot of things going for him. He is a calm, intelligent, experienced and unambitious man.

Whether he has a strategic concept of America's place in the world we don't know, but we do know that he is likely not only to help heal the break between State and the White House, but to reach out for a consensus between the leaders of both parties.

In the last 18 months, the Administration has assumed that it could blame the Communists for all the problems in the world, and even treat the allies like wayward children. But this hasn't been working, and now the President has changed the lineup, if not the policy.

"Leave it to George," the President said, but which George — George Bush in charge of crisis management, which is the State Department's business, or George Shultz, the new skipper in Foggy Bottom?

We will have to wait and see. In this disposable society, we chuck out Presidents and Secretaries of State like diapers, but Mr. Shultz is at least another of Mr. Reagan's "new beginnings," and that provides some hope.

FOREIGN AFFAIRS

More Spies in the Sky

By Flora Lewis

PUGWASH, Nova Scotia, July 17 — There has been a strange cycle of public indifference and militant activity against the danger of nuclear arms since the first two were dropped. Distressed at failure to understand, Bertrand Russell and Albert Einstein issued a dramatic manifesto in 1955.

That led to a meeting of top scientists from East and West at the boyhood home of Cyrus Eaton, the late U.S. industrialist, in 1957. So was founded the Pugwash Conference.

For its 25th anniversary, the conference is here again. The two signatories of the Russell-Einstein document still alive, Linus Pauling and Joseph Rotblat, noted that all those years, marches and U.N. conferences later, the threat is greater than ever.

And people are stirring again. The peace movement has never had broader support. Once again, East-West relations are cold and angry. The U.S. and the Soviets are talking in Geneva about braking the arms race, and sustaining it at home.

Time is running out on even the chance of arms control, the scientists say, because science itself has made possible new weapons so much more accurate, so much faster, so much harder to detect that agreements may become meaningless.

There isn't much point in calling for trust. If there were trust, there would be no need for verifiable agreements, no excuse for having atomic weapons at all.

Nor has public pressure yet brought tangible response. The words are there, but who knows what they mean. Soviet Chairman Leonid Brezhnev announced a unilateral freeze on deployment of SS-20's (after the program was virtually complete). A few months later, the United States said a number of additional Soviet missiles had been deployed facing Western Europe. Moscow said that this was a lie.

There has been no explanation. The same problem weakens the call for an American pledge of "no first use" of any atomic weapon, which Mr. Brezhnev has proclaimed. How can you tell, until it's too late?

Mr. Pauling, a twinkly-eyed veteran of declarations for disarmament supported by fellow Nobel laureates, urged a unilateral freeze on all nuclear arms by both the United States and the Soviets until they get around to a binding treaty. But nobody has defined the proposal. The United States would presumably abandon not only MX, all cruise missiles and Pershings in Europe, but planned Trident submarines and Minuteman improvements. What would the Russians do?

It is the underlying fear of discarding the nuclear shield that makes it so hard to blunt the nuclear sword. The numbers game of balancing off missile for missile to set a level of security is clearly nonsense in a world that stocks 50,000 warheads with more than a million times the power of the Hiroshima bomb.

And yet, the awesomeness of the bomb has maintained nuclear cease-fire in a world that hasn't stopped fighting since 1945. This morning's news reported on three full-scale wars (in Lebanon, Iraq and Somalia), two long, bloody guerrilla campaigns (in Northern Ireland and the Basque country) and a shattering new spy scandal in Britain. Peace is not at hand. Declarations aren't settlements.

The dilemma of fear remains. In an early attempt to confront it, President Eisenhower proposed an "open skies" program so the United States and Soviets could see for themselves what the other was doing. Moscow refused. It happened anyway, with satellites and electronic intelligence. But nobody is reassured.

So the issue comes back to information, a way to know and judge what is being prepared, in order to weigh the self-serving official counter-declarations.

One of the most hopeful ideas engaging some of the Pugwash scientists is what Australia's Sir Mark Oliphant calls "technological spying" by the middle powers. A lot of countries are now advanced enough to compete with the United States and Russia in monitoring preparations for war if they pool scientific and economic resources, though none could do it alone.

A group including delegates from Canada, Australia, France, Britain, Germany, Japan, Austria, Sweden, among others, is to meet in October to work on further details, already set out in an experts' report to the U.N. The European satellite launcher Ariane would put their own spies in the sky.

The U.S. has opposed the idea on the grounds that ambiguous intelligence could be politically abused to confound the world even more. Given experience, Washington has a point if it's to be a U.N. operation. But the countries capable of participating could set up their own structure. An objective (which doesn't mean neutral) verification of superpower agreements and menacing moves would go a long way toward easing the question of what to believe. Then, unilateral restraints could be monitored and the argument of balance better judged. It's something concrete to do quickly, worth more than talk.

Arts & Leisure

ART VIEW

JOHN RUSSELL

Seeing the Art Of El Greco As Never Before

WASHINGTON

"El Greco of Toledo" at the National Gallery of Art offers us a first-ever opportunity of coming to grips — in one place and under optimum conditions — with virtually the entire career of one of the most distinctive painters who ever held a brush. Such, moreover, is the state of the paintings and the strength of their installation that there can be few visitors to whom the show will not represent a once-in-a-lifetime experience.

The some 60 paintings by El Greco on view make a tremendous impact. They are hung, lit and spaced to maximum advantage. Almost without exception they have been restored to the visual equivalent of concert pitch, with the result that El Greco the colorist can be seen as never before.

Individually the paintings look wonderful, almost without exception. Collectively they constitute one of the exhibitions by which our age will be remembered. It is, for example, an amazing experience to see, properly shown and properly lit, what are believed to be three huge paintings from the dispersed altarpiece that once stood in the College of Dona Maria de Aragon in Madrid. Even a glimpse of those three paintings from a distance is to feel a decisive shiver of excitement.

To get the exhibition into being at all was one of the neater diplomatic achievements of the last few years. It results from a Hispano-American agreement by which more than 30 substantial Grecos were lent from this country and elsewhere for an initial showing at the Prado in Madrid. In return the Spanish authorities would lend in strength for three museum showings in this country — at the Toledo (Ohio) Museum of Art, which had the original idea and did much to push it through, at the National Gallery and at the Dallas Museum of Fine Arts.

It sounds like a sensible swap, though not everyone in Spain was in favor of sending quite so many El Grecos on so long a foreign tour. But some of the most haunting of all El Grecos in the Washington exhibit are from collections in this country — the "View of Toledo" and the "St. Jerome as Cardinal" from the Metropolitan Museum, the "Laocoon" and the unfinished "St. Jerome in Penitence" in the National Gallery's own collection, the "St. John the Baptist" from the Fine Arts Museum of San Francisco and the lately acquired portrait of Giacomo Bosio from the Kimbell Art Museum in Fort Worth. It would have been a very dull Spaniard who did not wish to see those paintings back in Spain for no matter how brief a sojourn.

So the deed was done in the end, with William Jordan as chairman of the scholars' committee that worked on the show, which will run through Sept. 6. (The dates for the other showings are: Toledo, from Sept. 26 through Nov. 21, and Dallas, from Dec. 12 through Feb. 6, 1983.)

The exhibition fulfils, in fact, a *dream that has haunted the human* imagination for more than 100 years. The fascination of El Greco goes far beyond the most intelligent curiosity. A major painting by him stands out as if by right in even the most august of galleries. We know it at once by the unmistakable elongations of limb and feature, the turbulence of draperies and sky, and the clash and clang of the color. Never were faces, never were bodies, never was landscape so painted before.

Quite apart from their hallucinatory quality, his paintings are present to us, and they touch the nerve of our time, in a quite particular way. Ever since El Greco was rediscovered in the 19th century it has seemed to one generation after another that he is not so much timeless as specifically modern.

To Théophile Gautier, the French poet, novelist, critic and resourceful traveler who saw his paintings in Spain as early as 1840, El Greco was the precursor of the European Romantic movement in all its craving for the strange and the exteme. To Edouard Manet in 1865, El Greco was the great alternative — the individual genius who went his own way, just as Manet himself was aiming to do. In the 1890's, Spanish painters then living in Paris adopted him as their guide and mentor.

To the Blue Rider group in Munich in 1912, El Greco typified that "mystical inner construction" that it was the task of their generation to rediscover. To the English critic Roger Fry in *London in 1920* El Greco was the archetypal genius who did as he thought best "with complete indifference to what effect the right expression might have on the public."

More recently, people have found in El Greco an existential vibration that speaks directly to our own disquiets. His agitation is our agitation, they think. His anguish is our anguish, and the high winds of anxiety that blow through so many of his big set-pieces are the ones that cloud our own horizons and would make us hold on to our hats if we still had any.

That sensation has communicated itself even within the White House (though not since January 1981). Jimmy Carter may have spoken for many of his fellow Americans when he said to ARTnews Magazine in April 1980 that El Greco was "the most extraordinary painter that ever came along back then" and that he was "maybe three or four centuries ahead of his time."

Within this general consensus as to the impact of El Greco, many points of view can be held and defended. The catalogue of this particular exhibition is, for instance, dedicated to a reading of El Greco that is distinctly of our own time and may well come to replace the more melodramatic interpretations that were popular in the earlier part of this century. Put forward by Jonathan Brown of the Institute of Fine Arts at New York University and strongly seconded by Richard L. Kagan of Johns Hopkins University in Baltimore, the argument suggests that El Greco was not primarily a mystic or a visionary artist.

Still less was he the prisoner of a romantic subjectivity. By adoption, though not by birth, he was a man of Toledo, and the product in many ways of the learned, endlessly ruminative and not at all naïve society that existed there.

The Brown/Kagan interpretation is based on the idea that fundamentally El Greco worked for the learned elite who made Toledo so pleasant a place. It was with professional intellectuals that he felt most at home. (Even King Philip II of Spain, of whom he had had high hopes, did not really take to him.) The idea of a big popular audience made him shudder. "If once in a while popular taste is right," he once said, "it is usually by accident and is not worth taking into account."

These views would not make him popular today, but they throw light on something that comes out very strongly indeed in the Washington show — the extent to which El Greco's deepest feelings were engaged by the portrayal of men of learning and substance. Not only is this manifest in the room of portraits — the "Elderly Gentleman" from the Prado is one of the most moving portraits of old age in Western painting — but it comes out *no less strongly in the portraits of* saints to which El Greco gave much of his time. The philosopher-saint overlaps in the canon of El Greco's paintings with the saintly philosopher — so much so, in fact, that we might reasonably mistake the one for the other.

This can well be seen, for instance, in the big "Pentecost" that has been lent by the Prado.



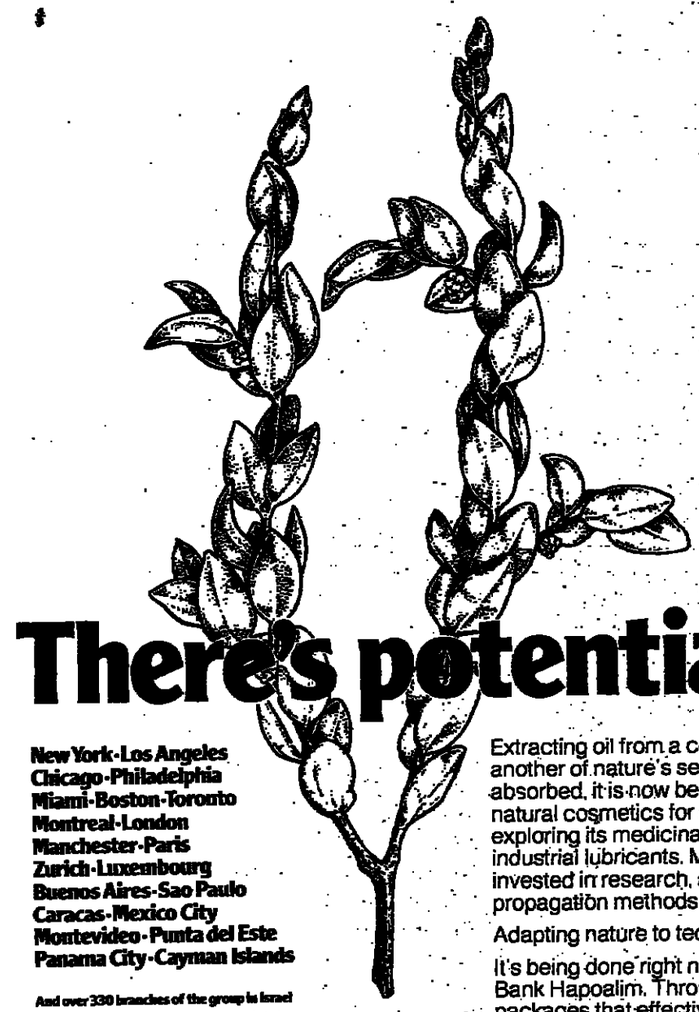
El Greco's "Saint Martin and the Beggar" (1597-99), in the show at the National Gallery—"To one generation after another he is not so much timeless as specifically modern."



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Doctors at the front

By JOSHUA BRILLIANT Jerusalem Post Reporter

ISRAEL IS unique in the number of army doctors accompanying its troops to the front, says Chief Medical Officer Tat-Aluf Eran Dolev.

Each battalion is assigned two doctors and eight medics. A complete medical battalion is attached to each division, including surgical teams equipped to perform operations in the field, psychologists to treat shell shock and dentists.

Army doctors in Lebanon often worked only 200 metres from the front lines, Dolev said. They moved right behind the vanguard troops in specially designed armoured personnel carriers emblazoned with red Stars of David.

But having the doctors up front exacted a heavy price. Four died and 13 were wounded in the war. Ten medics were killed and 50 wounded — one of them was hit in the neck in the battle over Tyre and was completely paralysed.

The army prefers not to perform operations in tents or even in its specially equipped trucks, Dolev continued. Its policy is to administer first aid to enable seriously wounded soldiers to survive a trip to the hospital. Helicopters landed only two kilometres away to pick up the wounded. Sometimes the missions were daring and one helicopter sent to evacuate wounded was shot down.

According to Dolev 80 per cent of the wounded soldiers were airlifted. After the Yom Kippur war additional helicopters were obtained for medical evacuation. In Lebanon, they prevented a serious problem because that country's roads are narrow and were continually clogged by IDF convoys.

The types of injuries were different from in the 1973 war. Nine years ago most casualties were caused by artillery shrapnel or burns from anti-tank weapons. In Lebanon head wounds were the most common.

Dolev said that 40 per cent of the soldiers killed in action were hit in the head and could not be helped. The high rate of head wounds was partly due to fighting at close range in built-up areas.

In some instances, terrorists used hunting guns with bullets which explode inside the body. The effect is similar to that of the banned *dum-dum* bullets and is therefore prohibited by the 1899 Hague Convention, Dolev said. Nevertheless many such guns and a considerable amount of ammunition were found in PLO stores, he said.

But on the whole the number of casualties and the severity of injuries was low compared with previous experience.

This was partly due to soldiers wearing flack jackets which stopped shrapnel and bullets. Sometimes shrapnel lodged into the protective vests and the soldiers were unharmed.

Armoured Corps men were saved by fire-proof overalls introduced after the Yom Kippur War. Some, of course, were killed when their vehicles caught fire and one is in hospital with 90 per cent burns, but generally there have been fewer cases of severe burn injuries in the Lebanon war.

However there were cases of face and hand burns. Soldiers had found it uncomfortable to fight while wearing their protective gloves and there is as yet no suitable gear beyond goggles to protect the face without hindering activity. The army, Dolev said, is working on this problem.

Some Medical Corps men were assigned to help the Lebanese restore their own health services. The level of medicine in Lebanon is not bad, but some help was needed to bring it back to the standard of the pre-PLO days, Dolev said. He recalled that Lebanese doctors told him the PLO men had removed medical equipment, ruined pharmacies and told doctors whom to treat and whom not to treat.

While visiting a PLO hospital in a refugee camp in Sidon, he saw patients tied to beds and corpses dumped into a backyard. The hospital had plenty of mattresses, clean sheets and blankets, but many patients were left on the floor. They were given only little food although the stores were well stocked, he continued.

Dolev confirmed a report that some Norwegian doctors tried to disguise PLO men, dressing some of them as surgeons with green gowns and masks while putting others to bed to pose as patients.

Responding to questions, Dolev confirmed that the PLO hospital in Nabatiya was no safe place to hide in. Only two of the building's storeys were used as a hospital. The rest was an arms depot, he said.

Debating the big debate

By LEA LEVAVI
Jerusalem Post Reporter

HEARING or reading criticism of the war from the home front won't make a soldier refuse to fight, but not hearing any criticism may affect his morale to the point that he would refuse to carry out orders.

Dr. Arie Nadler, a social psychologist, expressed this view during a debate on the right to criticize during wartime. The debate, held recently at Tzavta in Tel Aviv was sponsored by the Association for Civil Rights, and was open to the general public. To judge by audience comment, the government had few fans there.

"Research has shown that men in battle fight for their bodies and buddies, not for their country," Nadler said. "As one interviewee in a research study put it, 'when you're at the front lines you forget about patriotism.'"

Therefore, he said, criticism of the war won't affect soldiers' performance in battle. On the other hand, if the criticism is muzzled, those soldiers who don't see and hear their own views expressed publicly will start to feel alienated from society and won't want to fight.

Nadler said the government seems to be afraid of criticism; instead of seeing it as a constructive way of exploring alternatives, the government sees it as a threat to be met by attack.

"Both sides are using words which appeal to emotions, not to logic," he said. "There's nothing 'dirty' about words like consensus and national unity. The problem is that some people are trying to create consensus and national unity artificially where they don't really exist.

"In small groups, there's such a thing as 'group synch,' where the group stops looking at alternatives and does whatever the strong leader wants. I don't know whether that concept applies to an entire society, but I do know group synch isn't a good thing where it's important to be able to weigh alternatives."

Dr. Dina Goren, who preceded Nadler, had said she was concerned because the government was referring to everyone criticizing its policies as if they were destroying the national consensus. She wasn't sure what that consensus is, or if it exists, and sees the government's approach as demagoguery. "The image of the government in the press is negative, so the government wants to break the mirror by attacking the press."

THE OPPOSITE view was expressed by Nathan Brun, who had been communications adviser to the Likud election campaign. "Dr. Goren would lead one to believe that the press is presenting the true image," he said. "In fact, most of the press is hostile to the government, not only editorially but in the way news is presented."

"Had there been television at the time of the first battle in the American Civil War, when 40,000 men were killed in one day, would Lincoln have been able to free the slaves?" Brun asked. "If there had been television in the days of Latrun, would Ben-Gurion have been able to continue..." Audience protests drowned out the rest of the sentence.

"Mr. Brun has offered us an excellent way to put a stop to war," Dina Goren replied. "If his argument is correct, all we'd have to do to stop wars is to show them on television. He has unwittingly proven our point about the position value of media criticism."

A mammoth marathon

MUSIC REVIEWS

"PROMS 82" — Stravinsky Marathon, presented by the Jerusalem Symphony Orchestra, IBA, conductors: Nahum Seidel, Stanley Sperber, David Shallon; soloists, chamber music groups of JSO members, the Chamber Choir of the Rubin Academy, Jerusalem. Jerusalem Theatre, July 12.

TO END this year's season, the JSO offered a mammoth marathon, with no effort spared. The five hours passed swiftly as stimulating contrasts were programmed by producer Avi Hanani who also provided commentary on the various works. All presentations were well prepared and flawlessly executed.

Starting with *Le Histoire du Soldat* of the plaza, Gideon Shemer narrated the tale with a lot of commitment if sometimes too much theatrics. Nahum Seidel conducted a group of JSO members. Violinist Brigitte Sulem-Reiter stood out due to impressive playing of her demanding part; unfortunately the microphone was too close, and her instrument sounded like an electronic violin.

Stanley Sperber directed his Chamber Choir in a beautiful rendition of *Pater Noster* and *Ave Maria;* David Shallon conducted the Octet for Wind Instruments from memory, watching over an excellent performance of members of the JSO. Natasha Tadson played the piano version of *Petrushka* with motoric precision and quite staggering technique. Netania Davrat sang some Russian songs most charmingly, with Alexander Wolkow at the piano.

THE DUMBARTON OAKS concerto for chamber orchestra suffered slightly through the indecisive direction of Nahum Seidel. Rhythmical crispness, a *condition sine qua non* for Stravinsky, was mostly missing.

The film of *Le Sacre du printemps*, made in Belgium with Maurice Bejart, choreographer, and the Belgian National Orchestra under Andre Vandernoot, was most exciting in this presentation of Bejart's Twentieth Century Ballet. Several cameras were used to disclose surprising angles and excellent constellations of dancers.

The rest of the evening was completely given over to the orchestra with David Shallon as conductor. The *Scherzo Fantastique* is an early and rightly quite rarely performed work, disclosing budding talent but also the weaknesses of immaturity through length, repetitiousness and flabby texture. It is nothing more than a tribute to his teacher Rimsky-Korsakov's *Flight of the Bumble Bee.*

Gyorgy Pauk attended to all the intricacies and delicacies of the Violin Concerto with temperament and sovereign technique, excellently supported by conductor and orchestra. Robin Weisel-Capsouto sang *In Memoriam Dylan Thomas* in collaboration with a string quartet and four trombones, a rather brittle and try composition of the master's late period (1954).

David Shallon was the undisputed hero of the evening with his lively, though never exaggerated, direction of the orchestra, and he excelled himself in the final work *The Fire Bird Suite,* exerting the orchestra to a rousing performance.

The positive experience of this marathon was not only the excellence of all renditions — a commendable departure from previous marathons — but that so many of the audience stayed right to the end, to listen to so much Stravinsky and spent enthusiastic applause to thank conductors and orchestra for their efforts.

"Proms 82" — Jerusalem Symphony Orchestra, Garry Bertini conducting — Operas by Georges Bizet (Jerusalem Theatre, July 10). "Doctor Miracle" operetta in one act, Hebrew version: Avraham Yavin; with Yaron Windmueller, baritone (Mayor); Emilie Berendsen, mezzo-soprano (Veronique); Robin Weisel-Capsouto, soprano (Laurette); Gabi Sadeh, tenor (Silvio); Decor: Ofra Yatir; Staging: Gary Bertini. Excerpts from "Carmen," with Sarah Walker, mezzo-soprano (Carmen); Eduardo Alvares, tenor (Don Jose).

AT A performance of *Doctor Miracle*, one must make allowances for the plot. Lovers are united after a battle of wits with disapproving parents and competitors, the wooer comes in various disguises, and there is the obligatory Happy End. Though one may feel the action and comic devices at times are imbecilic, there is no denying the art form provided an opportunity for composers to write some quite nice music. Nor should one belittle the pleasantness of whiling away an hour with a lively presentation on stage.

The sets were adequate, the action full of buffoonery. The singing was satisfying, particularly Robin Weisel-Capsouto, as the daughter, and Yaron Windmueller, as the father. Emilie Berendsen has a good stage presence and her voice projected most of the time. In view of the scarcity of tenors, it was good to hear a new member of the guild giving quite a positive account of his vocal faculties, though his acting was a bit exaggerated. The music is pleasant and full of ideas, if, of course, not on the level of *Carmen. Dr. Miracle*, one of Bizet's first operas, was written in 1857, *Carmen* in 1873-74, his last.

After the intermission, the orchestra moved from the pit up to the stage, and the excerpts from *Carmen* carried into the hall with full symphonic sound, carefully balanced by conductor Gary Bertini. He gave every accent and dramatic statement its due and created an atmosphere of real drama, enhancing the singers' contribution.

Sarah Walker may not look a Carmen, but her interpretation was all one could desire. She offered a wide range of inflections and a fine timbre in her high notes, as well as having the lowest register at her disposal. Her commendable performance made one hope to hear her again and in different music, too.

Eduardo Alvares was a convincing Don Jose. He possesses a powerful voice, but a certain lack of flexibility and lightness in his presentation hindered his characterization. Though Don Jose was rather a stodgy fool in Carmen's eyes, he was still a Spaniard passionately in love.

Gary Bertini directed with his customary drive and relentless energy, showing the orchestra at its best.

"Proms 82" — Prelude and Serenade: Adler Trio: Chamber Music: Gyorgy Pauk, violin; Ralph Kirshbaum, cello; Peter Frankl, piano (Jerusalem Theatre, July 8). Schubert: Duo opus 162, for Violin and Piano; Brahms: Sonata No. 2, opus 99, for cello and piano; Tchaikovsky: Duo Notturno (1982); Beethoven: Trio, opus 97 ("Archduke").

THE EXTROVERT, and fresh-sounding solo parts in Beethoven's *Triple Concerto*, which the three artists performed with the Jerusalem Symphony Orchestra two days earlier, contrasted sharply with this evening's fare. Here the strings seemed much more subdued in all the works, so one must conclude that the open pit prepared for Saturday night's opera evening swallowed up a lot of the missing sonorities (saving in the wrong place?).

Musically, the presentations came over well — Schubert's melodious *joie de vivre* and Brahms' dramatic and introspective complaints about the world. The commitment of the three artists was translated into intense and personal statements.

As tribute to André Tchaikovsky, the pianist and composer who had died a fortnight before after a long illness, the trio performed his last completed work, a trio written specially for them. The music conveys a great sadness in intimate writing as if the composer wanted to spill out all his sorrow about leaving this earth. The artists presented the *Trio Notturno* like a requiem, with infinite care and loving involvement, and in this interpretation, the music sounded simple and impressive.

The same mood seemed to prevail upon the trio at the beginning of the *"Archduke" Trio*, which is usually performed with more assertion of positive elements, though it belongs to the composer's most contemplative period. It could also well be that we all are affected by the present situation and feel subdued in our expressive statements.

The Adler Trio, three harmonica virtuosi, entertained before the concert with mostly Israeli tunes and TV signature tunes; afterwards, in the lobby, they offered "more serious" music, which turned out to be popular light classics. They are in their genre exceptionally good.

YOHANAN BOEHM

ISRAEL PHILHARMONIC ORCHESTRA. Zubin Mehta conducting with Yitzhak Perlman, violin, Mira Zakai, alto, the Singing City Choir of Philadelphia, directed by Elaine Brown (Mann Auditorium, Tel Aviv, July 4). Works by Sergei Prokofiev: Classical Symphony; Concerto No 2 in G Minor for violin and orchestra; "Alexander Nevsky" Cantata.

THIS EVENING solely of Prokofiev's music was a rare occasion, bending the IPO's iron rules, and almost enabled Zubin Mehta to achieve a grand finale to the season.

Had the programme included only the concerto and the cantata, this review would have been entirely one of superlatives. The first item, however, the Classical Symphony, almost made us despair, so bad was the performance. The violins were so poorly handled that each phrase contained cacophonies and "tails" of inadvertent additions. Besides the rough playing, Mehta's lack of refinement and elegance weighed heavy on the music.

The rest of the concert was great, indeed. Perlman lead us through 30 minutes of elated music-making. Passing seamlessly from cantilenas to brilliant virtuoso passages, he was the impeccable instrumentalist, the irresistible artist. If the concerto revealed Prokofiev's thoughts and feelings, "Alexander Nevsky" showed the master's greatness as a composer of programme music containing immense power of actualization and substantiation. The music is beautifully lyrical and mercilessly brutal. There could hardly have been any better piece for Mehta to show his skill. In the slow introduction, Mehta brought out the great desolation and despondence of the music, and the battle scenes exposed the elementary instincts of medieval barbarism.

Mehta indulged himself in the great climaxes. The combined forces of the orchestra and the excellent Singing City choir of Philadelphia blended into masses of sound of clashing dissonances and cluster-like conglomerations. Out of this tumult Mira Zakai's voice rose in a great solo in the sixth movement, "Field of Death." She sang with great human warmth and affection.

BENJAMIN BAR-AM

The Association for Welfare of Soldiers in Israel

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- Coastal Region, The Association for Welfare of Soldiers in Israel, 75 Derech Haifa, Tel Aviv, Tel. 03-452121, or The Management, Beit Hahayal, 60 Rehov Weizmann, Tel. 03 443265
- Central Region, The Association for Welfare of Soldiers in Israel, Beit Hahayal, Rehov Aluf Shalti'el, Jerusalem, Tel. 02-247171, 02-247272
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Record borrowing by World Bank in 1982

WASHINGTON (AP). — The World Bank announced Friday that it borrowed a record volume of $8,520.5 million in its 1982 fiscal year, which ended June 30. This figure compared with borrowings of $5,715m. approved in fiscal 1981.

The bank said the 1982 accounting year also saw numerous innovations in its borrowing techniques, including the use for the first time of a U.S. dollar-Swiss franc linked international bond issue.

Current plans call for a borrowing volume of about $9 billion in the fiscal year of 1983, the bank said.

For the first time, the bank expects to raise some of its funds for the following period through short-term obligations and securities floated at variable rates.

The average maturity of borrowings in 1982 was 6.9 years at an average cost weighted by amount and maturity of 10.93 per cent.

The funds borrowed by the World Bank are used only in lending operations to credit-worthy developing nations. The lending rates for borrowers are set at a spread above the bank's cost of funds, enabling the bank to cover its administrative expenditures and record a profit.

Of the 1982 borrowings of $8.5b., the volume of public issues and private placements amounted to $6,535.5m., or 77 per cent of the total volume of funds raised. Direct placements with central banks and funds obtained from other official sources amounted to $1.85m., or 23 per cent of the funds raised.

In 1982 the World Bank returned to the U.S. markets after an absence of several years with borrowings of $500m. It borrowed $512.5m. in the Eurobond market, excluding amounts converted into other currencies, and $520.9m. of additional dollar funds were obtained through two-year central bank issues.



Visitors viewing the display of captured PLO weaponry at the Tel Aviv Exhibition Gardens frequently stop at a booth set up by the Discount Bank to make contributions to the Israel Defence Fund. The Discount clerks collected about IS100,000 within a few days. (Israel Sun)

NII considerate of war-caused delays

Post Economic Reporter

Businessmen who find themselves in financial difficulties because many of their workers are called up for reserve duty may apply to National Insurance for a postponement of their dues. If their application is approved, they won't have to pay increased insurance premiums.

Daniel Azriel, the new director of the NII, said that debts on account of reserve duty insurance will not be offset by the NII against payments for reserve duty to self-employed beneficiaries, as long as they have been called up during the war and filed their claim for reserve duty pay within 14 days since their release from duty.

The Political Response to Begin

Mr. Begin made a big demonstration in support of himself and his war in Lebanon, trying to counterbalance the Peace Now demonstration. The Peace Now movement should increase its demonstrations and activities. This is very important. But a protest movement cannot fill the role of a political party.

Today, it is clear for all to see that the Labour Alignment can be no political alternative to the Likud. The Labour "leaders" have become Begin's faithful followers, who wait to catch some crumbs from the Government's table.

We need a political force capable of opposing militarism, chauvinism and the growing threat to democracy. This force doesn't yet exist — it must be created NOW!

A Public Meeting in Jerusalem

on the subject:

After the Invasion of Lebanon — What is the Solution to the Palestinian Problem?

Speakers: Yossi Sarid (guest of Sheli)
Dr. Beni Temkin
Dr. Meir Pa'il
Dr. Yaakov Amon

The meeting will take place TODAY, MONDAY, July 19, 1982 at 9 p.m. at the Semadar Cinema (German Colony).

We ask for your financial help to go on publishing our views!

Sheli (Israel Peace and Equality Movement)
87 Dizengoff St., Tel Aviv, Tel. 03-290257

Knesset body opposes ministry's intention

Post Economic Reporter

The intention of the Ministry of Industry and Trade to accord the Atlantic Fishing Corporation approved enterprise status with considerable tax benefits, came under fire last week in the Knesset Economics Committee. Atlantic Fishing is owned by Economics Minister Ya'acov Meridor and his long-time associate Mula Brenner.

Industry and Trade Minister Gideon Patt contested the charge made by committee chairman Gad Ya'acobi (Alignment) that the status accorded Atlantic is "a national scandal" and totally unjustified.

Patt said that the Agriculture Ministry recommended to the Investment Centre that loans be given to Atlantic Corp. only for its ship-board fish-processing plants, and only with respect to the part of the investment that is not financed by supplier's credits.

Imitation still highest form of flattery

TEL AVIV. — Recommendation 23, drawn up by the Institute of Certified Public Accountants in Israel to help companies "deflate" their financial statements so as to give a truer picture of the actual state of affairs, is now being studied by a group of Dutch experts who recently visited Israel. The guests said that it provided a fairly simple method of tackling the problem.

Business Week survey of big business

Hapoalim ranks second among M-E companies

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — Bank Hapoalim was the second-largest company in the Middle East in terms of both revenues and profits in 1981, while Kuwait Petroleum was the first. Hapoalim is thus also the largest company in Israel, outranking Bank Leumi. These findings were published by the prestigious American journal *Business Week* in a recent issue.

According to the International Corporate Scoreboard, Bank Hapoalim had a sales revenue in 1981 of $5,725m., up 127 per cent from 1980, while profits stood at $102.1m., a rise of 143 per cent. This was the first time that an Israeli company posted profits of more than $100m. in one year.

Business Week lists Israel, Kuwait, Lebanon, Jordan and Saudi Arabia in its Middle East Section. Of the 22 companies surveyed, 15 were in Israel.

The Israeli companies are:

Name of company (Alphabetically)	Sales revenues (in millions of dollars)	Profits
Alliance Tire	69.7	0.0
Amcor	61.0	7.0
Bank Hapoalim	5,725.0	102.1
Bank Leumi	4,240.0	77.0
Clal	404.0	45.0
Delek	463.3	9.8
Dubek	30.0	2.7
IDB Bankholding	2,279.1	82.5
Israel Chemicals	469.1	71.8
Israel Electric	531.1	0.2
Koor	2,800.0	61.0
Polgat	94.4	9.6
Scitex	34.4	5.0
Teva	68.7	10.9
Zim	738.0	13.0

Avis encourages inland tourism

TEL AVIV. — Anyone who bought vouchers from Avis up to July 1 for car rental abroad, and who had to cancel his trip because he was called up, can submit the vouchers to any Avis office in Israel, and receive a car of the same type reserved for use abroad. The rental will be for the same number of days as the overseas booking, although rental rates in Israel are about double those abroad. Persons who cancelled their overseas trip and do not wish to rent a car in Israel, will have their money returned in full.

This scheme is being operated by the Ministry of Tourism in order to encourage domestic tourism. The scheme was unveiled last week at a meeting of the Tourism Council, convened in Nahariya by the Minister of Tourism. The general manager of Avis, Shimon Danai, undertook to support the scheme wholeheartedly.

Avis is launching another scheme to encourage domestic tourism, in cooperation with the Israel Hotel Owners Association. Many hotels in this country are offering discounts of 50 per cent until the end of July. Avis backs this campaign by offering a 50 per cent discount on car rentals to all who participate in the hotel campaign and who stay for at least three days.

ON THE BOARD. — Aharon Ben-Ezer, 63, and Ernst P. Wodak, 64, have been appointed members of the board of directors of Bank Leumi.

GOING CHEAP. — End of season sales in clothing and footwear will start on August 1, according to an announcement yesterday by the Federation of Chambers of Commerce.

The Batsheva Dance Company Presents:
"America's Greatest Black Dance Company." — Clive Barnes

Thrilling Fascinating Marvelous Fabulous Delightful Inspiring Dynamite Critics Choice

The Alvin Ailey Dance Theater 32 Dancers In Israel in August

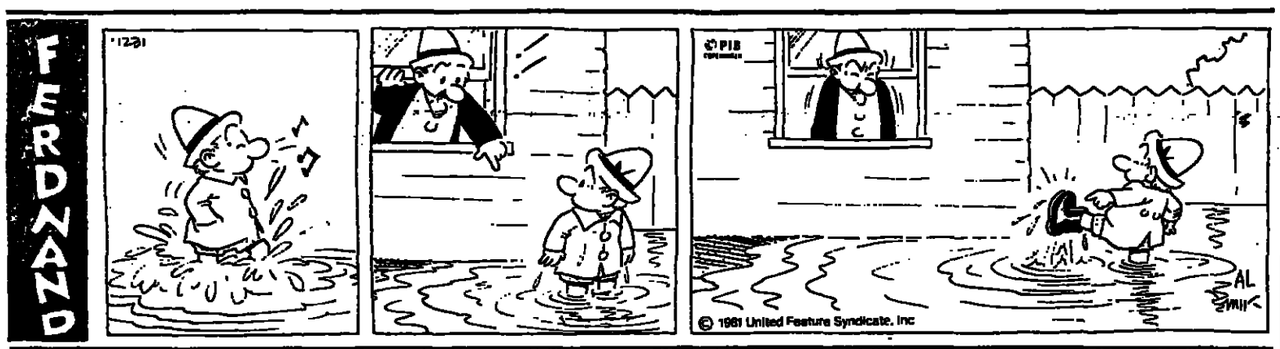
Jerusalem: Sultans Pool: Tues., Aug. 3, 9.00
Tickets: Kela'atm 240896 — Jerusalem Theater, 226211 Agencies

Tel Aviv: Mann Aud. Wed., Aug. 4th 8.30pm Thurs., Aug. 5th 5.00 - 9.00 pm
Fri., Aug. 6th 2.30pm
Tickets: Hadran, 248787 + agencies, group Discounts 248844
15% Discount with Discount Bank cheque Hadran only — all credit cards

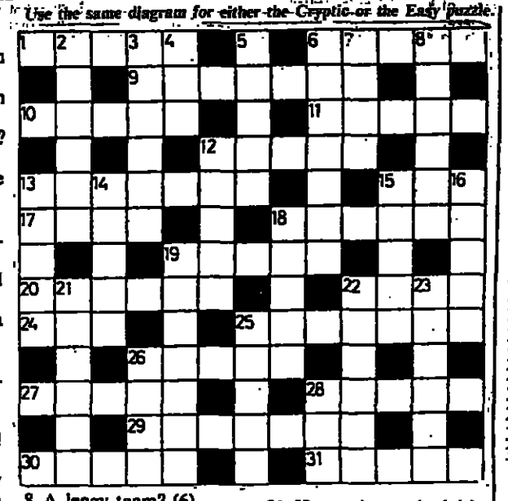
Caesarea: Sat., Aug. 7th 8.30 pm Tickets: Nova Berger, (04)665272 Garber, (04)84777 In Tel-Aviv, Hadran, 248787

In cooperation with The American Embassy in Israel
Talit productions — Paul Szlard — Living Arts.
The company is staying at the Diplomat Hotel — T.A.

ISRAEL DISCOUNT BANK LTD
in support of Art and Culture.



TWO-IN-ONE CROSSWORD



CRYPTIC PUZZLE

ACROSS

1 Choose to cut down on electricity (5)
6 See dire confusion in drink (5)
9 Tradesmen to shatter? (7)
10 Urchin 12 hours in the drink (5)
11 Marble passage? (5)
12 Cook and eat us, possibly! (5)
13 Regard as a weird spectre (7)
15 The right name for a colour (3)
17 Pale and grey (4)
18 John, writer of intellect, we hear (6)
19 Animals in pairs? (5)
20 He's in charge, old chap (6)
22 On which to get fifty per cent mortgage? (4)
24 It may swim from the left (3)
25 At the heart of the recent rally (7)
26 Not large, but bigger than everything! (5)
27 Not a house to be healthy in? (5)
28 She's a bit old, yet with new potential! (5)
29 "Lubricate thoroughly?" That's rich! (3, 4)
30 Chose to give the car a name (5)
31 Diminishes the ardour of the sad MP, possibly (5)

DOWN

2 Refuses to eat spinach, say (6)
3 Familiar source of fragmentary fried food (6)
4 Volunteers on the way to give a beating (3)
5 That beastly toast maker (5)
6 Holes made by carters? (7)
7 Land? I'll say! (4)
8 A leggy team? (6)
12 To clean, roughly speaking (5)
13 Wander a certain distance (5)
14 Workers' garment (5)
15 What some drivers have to cross (5)
16 He's capable of many a wickedness (5)
18 It's inclined to be on edge (5)
19 Incredible female in the theatre (7)
21 If a car is wrecked, it's abroad (6)
22 She may be all set (6)
23 Invent cosmetics? (4, 2)
25 Funny man with a hundred pounds of his own (5)
26 Sole flavouring for gin? (4)
28 Like some tricks of the wool dyer's trade (3)

Use the same diagram for either the Cryptic or the Easy puzzle

EASY PUZZLE

ACROSS

1 Fishing vessel (5)
6 Anything (5)
9 Ceremonial forms (7)
10 Stone mug (5)
11 Towelling (5)
12 Not so high (5)
13 Alliances (7)
15 Lettuce (3)
17 Drive (4)
18 Wasteland (6)
19 Eerie (5)
20 Discuss together (6)
22 Pudding ingredient (4)
24 Very warm (3)
25 Manage (7)
26 Coral island (5)
27 Nip (5)
28 Positive electrode (5)
29 Moving with effort (7)
30 Amorous observer (5)
31 Hill ranges (5)

DOWN

2 Speak indistinctly (6)
3 Cower (6)
4 Relatives (3)
5 Prestige (5)
6 Changed (7)
7 Employer (4)
8 Extreme fear (6)
12 *Lifting mechanism* (5)
13 Stagger (5)
14 Representative (5)
15 Conifer (5)
16 Seat (5)
18 Slaver (5)
19 Climatic conditions (7)
21 Seeping (6)
22 Strong beer (6)
23 Deep yellow (6)
25 Garlic section (5)
26 Yearn (4)
28 Conjunction (3)

Yesterday's Cryptic Solution

ACROSS.—3, Blast. 8, Helen. 10, Woven. 11, Rep. 12, Power. 13, Skillet. 15, Asset. 18, Ear. 19, Stocker. 21, Stymies. 22, Pace. 23, Even. 24, Strange. 26, Ranges. 29, Tug. 31, Treat. 32, Tethers. 34, Staid. 35, Era. 36, Impel. 37, Party. 38, Sells.

DOWN. — 1, Perks. 2, Replete. 4, Loot. 5, Sweats. 6, Torso. 7, Melee. 9, Lei. 12, Permits. 14, Lay. 16, Skive. 17, Trunk. 19, Sedated. 20, Spurt. 21, Scene. 23, Egghead. 24, Settle. 25, Nut. 27, Aroma. 28, Gases. 30, Crate. 32, Till. 33, Err.

Yesterday's Easy Solution

ACROSS.—3, Blast. 8, Helen. 10, Woven. 11, Rep. 12, Power. 13, Skillet. 15, Asset. 18, Ear. 19, Stocker. 21, Stymies. 22, Pace. 23, Even. 24, Strange. 26, Ranges. 29, Tug. 31, Treat. 32, Tethers. 34, Staid. 35, Era. 36, Impel. 37, Party. 38, Sells.

DOWN. — 1, Perks. 2, Replete. 4, Loot. 5, Sweats. 6, Torso. 7, Melee. 9, Lei. 12, Permits. 14, Lay. 16, Skive. 17, Trunk. 19, Sedated. 20, Spurt. 21, Scene. 23, Egghead. 24, Settle. 25, Nut. 27, Aroma. 28, Gases. 30, Crate. 32, Till. 33, Err.

Solutions to today's puzzle tomorrow

WHAT'S ON

Notices in this feature are charged at IS79.30 per line including VAT; insertion every day costs IS153.80 including VAT, per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

Jerusalem

MUSEUMS

Israel Museum. Exhibitions: Permanent Collection of Judaica, Art and Archaeology. Art for Humour's Sake, humour in contemporary art. Old Gods and Young Heroes, Pearlman collection of Maya Ceramics; Statements in Colour, contemporary photography, Jewish Treasures from Paris, from collections of Cluny Museum and Connstorre; On the Surface, approaches to paint and canvas in art of our time. Toys and Games in the Ancient World (Rockefeller Museum), Colour (Paley Centre, next to Rockefeller Museum). Chaim Kreuz, new paintings; Gift of M.C. Escher's graphic work; Special Exhibit "Angelus Novus," aquarelle by Paul Klee, Special Exhibit Islamic Armour (Rockefeller Museum), Special Exhibit, Adornment of a Jewish Bride, according to tradition of Herat, Afghanistan; Special Exhibit Gifts to Ehahu Dobkin Pavilion for Ancient Glass, Special Exhibit, Throne Legs Cast in Bronze, from Samaria, 6th-4th cent B.C.E., Special Exhibit, In memory of Baroness Alix de Rothschild, selection of jewish Patents, Israeli Products. **Special Exhibit:** Menorah by Tsau, electronic vibration and electronic feedback system. **Opening Exhibition** (for children) Touch (from 20.7). Opening Exhibition Artists' Tribute to Bertha Urdang (from 20.7).
Visiting Hours: Main Museum 10-5. At 11: Guided tour in English 3.30 Special Guided Tour, Shrine of the Book, 10.30 and 3.30 "Marx Bros. at the Races," film, 11 and 4. Free performance for children, "Maestro Pompom, the Clown and his Friends" with Zvika Halperin 12.30 Art and Archaeology film, "Rembrandt."

CONDUCTED TOURS

HADASSAH — Guided tour of all installations * Hourly tours of Chagall Windows at Kiryat Hadassah. Nominal charge * Hourly tours of Hadassah Mt. Scopus. * Information, reservations 02-416333, 02-426271.

Hebrew University:
1. Tours in English at 9 and 11 a.m. from Administration Building. Givat Ram Campus. Buses 9 and 28.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9 and 28 to last stop. Further details, Tel. 02-882819.
Emmah — World Rel. Zionist Women. 26 Ben Maimon. Visit our projects. Call 02-662468, 630620, 03-788942, 708440.
American Mizrachi Women. Free Morning tours — 8 Alkalai Street, Jerusalem. Tel. 69-9222.

MISCELLANEOUS

Plant a Tree with Your Own Hands! For details and/or tour reservations, call Jewish National Fund, 02-635261, ext. 13

Tel Aviv

MUSEUMS

Tel Aviv Museum, Exhibitions: Jubilee Exhibitions (1932-1982) The Twenties in Israeli Art, Masters of Modern Art; City of Art, the Berlin Secession at the Turn of the Century; Dizengoff House, the early years of Tel Aviv Museum; Ansel Adams, photographs of the American West.
Visiting Hours: Sat. 10-2, 7-10 Sun-Thur. 10-10. Fri. closed.
Helena Rubinstein Pavilion: Sun.-Thur. 9-1; 5-8. Sat. 10-2. Fri. closed.

CONDUCTED TOURS

American Mizrachi Women. Free Morning Tours — Tel Aviv, Tel. 220187, 243106
WIZO: To visit our projects call Tel Aviv, 232939, Jerusalem, 226060; Haifa, 89537.
PIONEER WOMEN — NA'AMAT. Morning tours. Call for reservations. Tel Aviv, 256096.

Haifa

What's On in Haifa, dial 04-640840.

Rehovot

The Weizmann Institute. Open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on institute's research activities, shown regularly at 11.00 a.m. and 2.15 p.m. Friday 11.00 a.m. only.
Tours of the Weizmann House every half hour from 10.00 to 3.30 p.m., Sunday to Thursday. Nominal fee for admission to Weizmann House
No visits on Saturdays and holidays.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Beit Hakerem, 19 Beit Hakerem, 521089. Balsam, Salah Eddin, 272315. Shu'afat, Shu'afat Road, 810108. Dar Eldawa, Herod's Gate, 282058.
Tel Aviv: Benny, 174 Dizengoff, 222386. Kupat Holim Clalit, 7 Amsterdam, 225142.

Netanya: Laniado, Kiryat Zans, 36071.
Haifa: Yavne, 7 Ibn Sina, 666156.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah E.K. (internal, surgery, orthopedics, E.N.T.), Misgav Ladach (obstetrics), Shaare Zedek (ophthalmology).
Tel Aviv: Rokah (pediatrics), Ichilov (internal, surgery)
Netanya: Laniado (obstetrics, internal, pediatrics, gynecology).
Misgav Ladach: Open line 4-6 p.m. every Monday answers to obstetrics, gynecological, sterility, sexual functioning, and family planning problems. Tel. 02-633356

POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 40444.

FIRST AID

Magen David Adom first aid centres are open from 8 p.m. to 7 a.m. Emergency home calls by doctors at fixed rates. Sick Fund members should enquire about rebate.

Phone numbers: Jerusalem, Tel Aviv, Haifa — 101. Dan Region (Ramat Gan, Bnei Brak, Givatayim, Kiryat Ono) — 781111.

Ashdod 2222	Nazareth 54333
Ashkelon 23333	*Netanya 23333*
Bat Yam 885555	Petah Tikva 912333
Beersheba 78333	Rehovot 054-51333
Eilat 2333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 803133	Tiberias 20111
Nahariya 923333	

Rape Crisis Centre (24 hours), for help call 03-234819, Tel Aviv, 04-88791, Haifa, 02-810110, Jerusalem.
"Eran" — Mental Health First Aid, Tel: Jerusalem 669911, Tel Aviv 253311, Haifa 538-888, Beersheba 32111, Netanya 35316.

FLIGHTS

24-HOUR FLIGHT INFORMATION SERVICE
Call 03-972484
(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-295555 (20 lines)

KEEP YOUR EYES OPEN! REPORT SUSPICIOUS OBJECTS

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
9.00 Pretty Butterfly
9.25 Captain Nemo
9.30 The Castaways (part 16)
10.00 English
10.20 Meeting with Yemima Avidar Tchernowitz
10.50 The Time Tunnel
16.00 *The Music of Man (part 2)*
17.00 Peace for Galilee — live magazine
CHILDREN'S PROGRAMMES:
17.30 Tamari's Hut — puppet theatre
18.00 The Mill on the Floss. Episode 2 of an 8-part serial based on George Elliot's famous book about Victorian society
18.20 Harold Lloyd — comic excerpts from Harold Lloyd's films
ARABIC-LANGUAGE programmes.
18.30 News roundup
19.00 Sport
19.24 Ramadan Quiz
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.03 Get Out Of It — TV game
20.30 Eight Thirty — art and entertainment magazine
21.00 Mabat Newsreel
21.30 Entertainment — with Julio Iglesias
22.00 A Man Called Intrepid. Part 2 of a new 6-part serial based on William Stevenson's bestseller about a World War II spy group organized by Winston Churchill Starring David Niven, Michael York and Barbara Hershey
23.00 This Is The Time — Ram Evron's interview and entertainment hour
23.50 News
JORDAN TV (unofficial):
17.50 Cartoons 18.00 French Hour 18.25 (ITV 3) Little House on the Prairie. 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 M.A.S.H. 21.10 Brack Report 22.00 News in English 22.15 Hart to Hart

ON THE AIR

First Programme

6.11 Musical Clock
7.07 (stereo): Morning Music
8.05 (stereo): Morning Concert
10.05 (stereo): Music
11.05 Sephardi songs
11.30 Education for All
12.05 (stereo): Music
13.05 (stereo): Music
14.10 Children's programmes
15.30 World of Science (repeat)
15.55 Notes on a New Book
16.05 (stereo): Music
17.35 Programmes for Olim
20.05 Everyman's University
20.35 (stereo): Music
22.30 Reflections on the portion of the week by Prof. Yeshayahu Leibowitz
23.05 (stereo): Music

Second Programme

6.12 Gymnastics
6.22 Agricultural Broadcasts
6.40 Editorial Review
6.54 Green Light — drivers' corner
7.00 This Morning — news magazine
8.10 Puss in Sandals — children's programme
9.05 All Shades of the Network — morning magazine
12.05 Tunes and Regards
13.00 Midday — music, news commentary
14.10 In a Minor Tone — with Ehud Manor
16.10 From Here to There — immigration matters
17.10 Magazine
17.25 Of Men and Figures — economics magazine
18.05 Programme for Senior Citizens
18.47 Bible Reading
19.00 Today — people and events in the news
20.10 Sabbath songs
22.05 Literary Magazine *(repeat)*
23.05 The Second Half — women's magazine

Army

6.10 First Thing — jokes for soldiers
7.07 "707" — Alex Ansky reviews the morning papers
8.05 IDF Morning Newsreel
9.05 Right Now — with Kobi Meidan
11.05 Mama's Voice — regards to soldiers
12.05 Israeli Summer — with Eli Yisraeli
16.05 Four in the Afternoon — Hebrew songs
17.05 IDF Evening Newsreel
18.05 Army and Defence Magazine
19.05 Musical requests programme
21.00 Mabat Newsreel
00.05 Night Birds — songs, chat

EASY HEBREW BROADCASTS
First programme: News daily at 6.54 a.m. (Saturday 7.04) News and features daily at 5.35 p.m.

CINEMAS

JERUSALEM 4, 7, 9
Edea: How to Succeed in Exams; **Edison:** The Border; **Kfir:** Quest for Fire 4, 6.45, 9; **Mitchell:** What a Guy 7, 9; **Orgil:** Private Lessons; **Orion:** Taps 4, 6.45, 9; **Oron:** Le Grand Pardon 7, 9; **Great Muppet Caper** 3.30, 5; **Ross:** Private Benjamin; **Semadar:** Tommy 7, 9.15; **Binyenei Ha'uma:** Everything You Always Wanted to Know About Sex 7, 9; **Cinema One:** Black Stallion 7; Life of Brian 9.15; **Cinematheque:** The Blue Angel 7; A Respectable Life 9.30; **Israel Museum:** Marx Bros. At the Races 10.30, 3.30; Rembrandt 12.30

TEL AVIV 4.30, 7.15, 9.30
Allenby: Eye for an Eye; **Ben-Yehuda:** On Golden Pond; **Chen 1:** Jungle Book 11, 2, 4.30, 6.30, 8.30, 10.20; **Chen 2:** Jungle Book 8.30, 10.20; **Rein** 12, 4.10; **Chen 3:** First Monday in October 4.40, 7.25, 9.40; **Chen 4:** Straw Dogs 10.30, 1.30, 4.25, 7.05, 9.35; **Chen 5:** Atlantic City, U.S.A. 10.30, 1.30, 4.25, 7, 9.25; **Cinema One:** Aliza Mizrahi; **Cinema Two:** Private Benjamin; **Dekel:** Bananas 7.15, 9.30; **Drive-In:** The Wonderful Balloon 7.30, 9.30; Sex film, midnight; **Esther:** Les Sous Doues en Vacances; **Gat:** Popeye; **Gordon:** Circle of Deceit 5, 7.15, 9.30; **Hod:** Private Lessons; **Limor:** Touch of Class; Marriage Tel Aviv Style, 4.30; **Maxim:** Sound of Music 5, 8; **Mograbi:** Le Grand Pardon; **Orly:** Christiane F. 4.30, 7, 9.30; **Paris:** National Lampoon's Animal House 10, 12, 2, 4, 7.15, 9.30; **Peer:** Evil Under the Sun; **Shahaf:** Quest for Fire; Great Muppet Caper 11, 3.45, 5.45; **Studio:** Some Like it Hot; **Tchelet:** Duck Soup (Marx Bros.); **Tel Aviv:** Roar; **Tel Aviv Museum:** From Mao to Mozart; **Tzafon:** Sleeper 7.15, 9.30

HAIFA 4, 6.45, 9
Amphitheatre: Roar; **Arsuzi:** Buddy Buddy 6.45, 9; **Armon:** I the Jury; **Atzmon:** Le Grand Pardon; **Chen:** Gone with the Wind 4, 8; **Galor:** Blowout 10, 2, 6; Rolling Thunder 12, 4, 8; **Keren Or:** Dr. Zhivago 7.30; Two Headed Man 4; **Moriah:** On Golden Pond 6.45, 9; **Orah:** Christiane F. 4, 6.30, 9; **Orion:** Joyous Beauty 6 nonstop; **Oriy:** Jungle Book 11, 4, 6, 8; **Peer:** Evil Under the Sun; **Ron:** Aliza Mizrahi; **Shavit:** Garde a Vue 6.45, 9; Chomps the Million Dollar Dog 4.30; **Cinematheque:** American Graffiti 5; The Sting 7; Gloria 9.30

RAMAT GAN
Armon: Jungle Book 4, 6.30, 8.30; **Lily:** Love and Death 7.15, 9.30; Flying Pony 4; **Oasis:** French Lieutenant's Woman 7, 9.30; That Darn Cart 4; **Ordea:** Mephisto 4, 7, 9.30. **Ramat Gan:** Torn Between Two Lovers 7.15, 9.30

HERZLIYA
Tiferet: Private Lessons 7.15, 9.15

PETAH TIKVA
Shalom: The Boat 7.15, 9.15

NETANYA
Esther: On Golden Pond 7, 9.15

HOLON
Migdal: Atlantic City, U.S.A. 9.30; Popeye 4.30, 7.15; **Savoy:** Roar 4.30, 7.15, 9.30

RAMAT HASHARON
Star: Animal House 7.15; My wife and her husband 9.30; Ali Baba Goes to Town 4

HOD HASHARON
Barak: Stripes 9.30; The Competition 7.15

هكذا من الأصل

מכוון מן המקור

Boeing shows off its new 767

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — One of Boeing's new 767 passenger jets was yesterday demonstrated to El Al and government officials.

These flights are part of the plane's first international tour, combining U.S. government-required flight testing with demonstrations to airlines in Europe and the Middle East.

So far no Arab airline has ordered the Boeing-767, but company officials are still hopeful. The trip here was designed to help El Al, which has ordered four 767s. The first is to arrive next June, the second at the end of 1983 and the last two during 1984.

Each plane costs some $40 million, a Boeing official told *The Post*.

According to Boeing, the 767 is very economical to operate. The fuel it consumes per passenger is at least 35 per cent less than for earlier medium range jetliners, Boeing said.

The plane which arrived here yesterday had 197 seats and was spacious. El Al intends to install 223 seats and the producer said charter companies can install as many as 289 seats.

The modern equipment on board makes it possible for one man to fly it, Boeing test pilot Thomas Edmonds said. The models sold El Al could be flown by two or three pilots, the airline reported.

LEBANON ORDER. — The Oniya company has received an order from a firm in Lebanon for its computer paper.

Bull market still intact

By JOSEPH MORGENSTERN

TEL AVIV. — The bull market maintained its momentum yesterday as all sectors of trading maintained their gains. The cases of "buyers only" and "sellers only" were evenly balanced at five, but the number of shares that rose by more than 5% outpaced losing issues by a ratio of 2:1. Altogether 41 securities were up 5% or more. Volumes continued to be moderate at just under IS365m.

The index-linked bond market was slightly higher, but apparently its direction continued to be dictated by the Bank of Israel, which is maintaining its policy of stabilizing bonds.

Commercial bank shares advanced, but at a somewhat slower pace than was the case in recent sessions. Danot 1.0 led the group with a gain of nearly 6.5%.

Phoenix 0.5 and Reinsurance 0.1, with 9.9% and 9.3% gainst, led a rising insurance group.

The land development and real estate sector was by far the best performer of the session. Ten per cent winners included Africa-Israel 0.1, HLP Real Estate 0.1, Neot Aviv Caesarea 0.5 and both Rassco issues.

Industrials were also strongly ahead. Urdan 0.1 picked up a full 10% while a relative newcomer to the exchange, Alkol 1.0, was a 9% winner. Galil Industries 1.0 was whacked for an 8% loss. Zika, another newcomer, debuted and was established as "buyers only."

The two shares were both raised by only 5%. Petrochenicals came under heavy selling pressure as IS4.7 m. worth of stock was offered for sale and the share tumbled by nearly 10%.

Investment company issues were volatile and mixed, though on balance they were slightly higher. Unico (B) was a 10% loser, as was the case with Elgar (R). The Oz Investment group was under heavy selling pressure and retreated by as much as 12.4%.

Tel Aviv Stock Exchange

	Closing price	Volume IS1,000	Change	Change in %
Commercial Banks & Bankholding				
IDB prf	28500.0	.5	n.c.	—
IDB r	2455.0	370.8	+12.0	+.5
IDB B r	2455.0	2.6	+12.0	+.5
IDB prf A	7450.0	2.0	n.c.	—
IDB op 7	6120.0	7.3	n.c.	—
IDB op 9	3800.0	5.4	+35.0	+.9
IDB op 10	3570.0	25.9	+30.0	+.9
Union r	1600.0	118.1	+10.0	+.6
Union op 4 r	2880.0	1.0	+30.0	+1.1
Union op 7	2325.0	5.5	+50.0	+2.2
Discount r	z3037.0	175.8	+10.0	+.3
Discount A r	z3037.0	43.5	+10.0	+.3
Discount op 1	z3905.0	22.4	+20.0	+.5
Discount B	170.5	1,341.7	n.c.	—
Mizrahi r	1075.0	3,931.4	+2.0	+.2
Mizrahi b	1073.0	19.2	n.c.	—
Mizrahi op 3	6910.0	7.0	n.c.	—
Mizrahi op 10	1780.0	32.8	—10.0	—.6
Mizrahi sc 6 r	3395.0	4.7	+30.0	+.8
Mizrahi sc 7 r	2940.0	17.3	n.c.	—
Mizrahi sc 9	184.5	619.9	n.c.	—
Maritime 0.1 r	2390.0	812.0	+25.0	+1.1
Maritime 0.5 r	1740.0	364.8	n.c.	—
Maritime op 1	2051.0	134.3	n.c.	—
Hapoalim prf b	3890.0	6.7	+250.0	+6.9
Hapoalim r	1991.0	885.7	+7.0	+.4
Hapoalim b	1991.0	26.8	+7.0	+.4
Hapoalim op 4 r	14110.0	.1	n.c.	—
Hapoalim op 5 r	11850.0	.2	n.c.	—
Hapoalim op 7 r	6600.0	5.3	n.c.	—
Hapoalim op 11	3170.0	89.7	n.c.	—
Hapoalim op 12	2841.0	36.1	n.c.	—
Hapoalim sc 6 r	4440.0	—	—30.0	—.7
Hapoalim sc 8 r	3040.0	1.4	n.c.	—
General A	3268.0	27.8	+15.0	+.5
General op 6	6415.0	6.7	n.c.	—
General sc 4 r	4090.0	1.4	+87.0	+2.2
General sc 5 r	905.0	18.6	+15.0	+1.7
Leumi	1530.0	690.5	+6.0	+.4
Leumi op 4 r	5770.0	3.4	+20.0	+.4
Leumi op 12	2060.0	47.1	+30.0	+1.5
Leumi sc 9 r	738.0	34.6	+3.0	+.4
Leumi sc 11	198.5	351.7	+.5	+.3
OHH r	1790.0	7.6	+15.0	+.9
OHH b	1725.0	1.4	n.c.	—
Danot 1.0	*780.0*	*228.4*	*+47.0*	*+6.4*
Danot 5.0	457.0	750.8	n.c.	—
Danot op 1	422.0	380.6	+4.0	+1.0
Danot op 2	200.0	247.4	+7.0	+3.6
FIBI sc 1 r	5859.0	9.4	n.c.	—
FBI r	1027.0	751.4	n.c.	—
Mortgage Banks				
Adanim 0.1	1142.0	b.o.1	+54.0	+5.0
Gen Mtge r	930.0	22.4	—10.0	—1.1
Gen Mtge b	935.0	3.1	—5.0	—.5
Gen Mtge op 117	2140.0	—	+108.0	+5.3
Carmel r	884.0	32.3	—11.0	—1.2
Carmel b	—	—	—	—
Carmel op A	1127.0	—	—	—
Carmel op B	694.0	8.7	+13.0	+1.9
Binyan r	890.0	154.5	n.c.	—
Dev & Mtge r	575.0	48.6	—5.0	—.9
Dev & Mtge b	580.0	10.0	—5.0	—.9
Dev & Mtge op 95	1125.0	.2	+20.0	+1.8
Mishkan r	1593.0	2.8	+3.0	+.2
Mishkan b	1593.0	.2	+3.0	+.2
Independence	2730.0	2.6	+30.0	+1.1
Tefahot prf r	3350.0	2.0	n.c.	—
Tefahot prf b	3350.0	1.1	n.c.	—
Tefahot r	3010.0	24.6	+210.0	+7.5
Tefahot b	2800.0	.8	n.c.	—
Tefahot op A	2574.0	15.4	+234.0	+10.0
Tefahot deb 1	195.0	347.1	+16.0	+8.9
Merav r	515.0	101.0	+15.0	+3.0
Merav op	4050.0	.3	n.c.	—
Financing Institutions				
Shilton r	243.0	194.0	n.c.	—
Shilton b	—	—	—	—
Shilton op B	740.0	2.2	—40.0	—5.1
Shilton op 5	236.0	32.1	+10.0	+4.4
Shilton op 6	204.0	42.5	—7.0	—3.3
Shilton sc 1	327.0	b.o.1	+16.0	+5.1
Shilton sc 2	370.0	.1	+13.0	+3.6
Otz. Lataasiya r	587.0	49.0	n.c.	—
Otz. Lataasiya b	615.0	6.0	n.c.	—
Agriculture prf A	d5975.0	14.6	+374.0	+6.7
Ind Dev prf r	5770.0	11.6	n.c.	—
Clal lease 0.1 r	663.0	15.3	n.c.	—
Clal Lease 0.5 r	410.0	10.4	—9.0	—2.2
Clal Lease op A	651.0	31.0	+1.0	+.2
Clal Lease op B	306.0	89.1	+14.0	+4.8
Clal Lease sc 1	168.0	142.9	n.c.	—
Insurance				
Aryeh r	1482.0	182.6	+97.0	+7.0
Aryeh op r	25800.0	.3	n.c.	—
Aryeh sc 1	1149.0	3.3	n.c.	—
Ararat 0.1 r	1499.0	b.o.1	+71.0	+5.0
Ararat 0.5 r	530.0	284.8	+25.0	+5.0
Reinsurance 0.1 r	1306.0	58.1	+111.0	+9.3
Reinsurance 0.5 r	d558.0	434.1	n.c.	—
Hadar 1.0	d800.0	40.9	—2.0	—.3
Hadar 5.0	424.0	134.1	+24.0	+6.0
Hassneh r	d1035.0	92.4	+5.0	+.5
Hassneh b	d1035.0	.5	n.c.	—
Hassneh op	3600.0	1.0	—30.0	—.8
Phoenix 0.1 r	x1265.0	25.2	+40.0	+3.3
Phoenix 0.5 r	x973.0	22.2	+86.0	+9.9
Yardenia 0.1 r	1860.0	24.2	n.c.	—
Yardenia 0.5 r	520.0	21.5	—10.0	+1.2
Yardenia op 1	574.0	57.0	n.c.	—
Sahar r	4798.0	79.8	n.c.	—
Sahar b	4700.0	2.8	—50.0	—1.1
Securitas r	1672.0	156.2	+52.0	+5.2
Securitas op 2	—	—	—	—
Zur r	700.0	40.3	+35.0	+5.3
Zur b	690.0	4.0	—10.0	—1.4
Zur op 1	1105.0	7.4	n.c.	—
Zion Hold. 1.0	406.0	101.1	—5.0	—1.2
Zion Hold. 5.0	235.0	341.9	—5.0	—2.1
Commercial Services & Utilities				
Delek r	2125.0	20.0	n.c.	—
Delek b	2250.0	3.1	n.c.	—
Delek db 2	9095.0	.5	n.c.	—
Harel	z318.0	505.2	n.c.	—
Harel op 1	z493.0	44.2	+3.0	+.6
Dan Hotels 1.0	424.0	124.0	n.c.	—
Dan Hotels 5.0	337.0	305.4	n.c.	—
Cold Store 0.1 r	25001.0	.1	+801.0	+3.3
Cold Store 1.0 r	13250.0	8.6	n.c.	—
Isr Electric r	—	—	—	—
Lighterage 0.1	—	—	—	—
Lighterage 0.5 r	20850.0	11.6	+100.0	+.5
Lighterage op 2	—	—	—	—
Magor	895.0	31.1	+20.0	+2.3
Magor 0.5	587.0	125.7	n.c.	—
Magor op 1	825.0	20.0	n.c.	—
Nikuv 1.0	580.0	62.8	—19.0	—3.2
Nikuv 5.0	402.0	100.9	—16.0	—3.8
Nikuv op 1	382.0	44.3	+34.0	+9.8
Consort. Hold.	1850.0	28.6	n.c.	—
Consort op	1725.0	31.7	—55.0	—3.1
Rapac 0.1 r	1460.0	4.5	n.c.	—
Rapac 0.5 r	643.0	34.7	—46.0	—6.7
Rapac op 2	420.0	17.7	n.c.	—
Supersol A	1415.0	2.5	+10.0	+.7
Supersol B	717.0	101.0	n.c.	—
Land Development Building, Citrus				
Oren	540.0	105.2	n.c.	—
Oren op 1	460.0	56.5	n.c.	—
Azorim r	723.0	576.8	+25.0	+3.6
Azorim op C	1235.0	43.3	+65.0	+5.6
Azorim op D	595.0	33.2	n.c.	—
Africa Isr 0.1 r	8085.0	71.5	+735.0	+10.0
Africa Isr 1.0 r	4730.0	19.1	+200.0	+4.4
Africa op 2	6738.0	27.6	+735.0	+12.3
Ariedan 0.1	1060.0	83.0	+20.0	+1.9
Ariedan 0.5	640.0	212.3	+10.0	+1.6
Ariedan op A	810.0	28.6	n.c.	—
Darad	570.0	203.5	+28.0	+5.2
Darad op 1	2383.0	2.5	+238.0	+11.1
ILDC r	1575.8	33.4	+50.0	+2.7
ILDC b	1915.0	5.0	+100.0	+5.5
ILDC op A r	10240.0	.3	+251.0	+2.1
ILDC op B r	5459.0	.4	n.c.	—
ILDC op 6	1325.0	19.2	n.c.	—
ILDC db 4 r	3720.0	—	—	—
HLB Realty 0.1 r	678.0	164.3	+60.0	+9.7
HLB Realty 0.5 r	d341.0	337.7	+1.0	+.3
Solel Boneh prf A	30100.0	1.7	+1300.0	+4.5
Modul Beton	1170.0	17.1	n.c.	—
Prop & Bldg r	2050.0	59.7	n.c.	—
Prop & Bldg C	2500.0	.6	n.c.	—
Bayside 0.1 r	1920.0	8.1	n.c.	—
Bayside 0.5 r	1045.0	40.2	+25.0	+2.5
Ispro r	563.0	659.9	+43.0	+8.3
Ispro op 3	1590.0	99.7	+144.0	+10.0
Isras r	392.0	114.4	n.c.	—
Isras op 1	265.0	109.7	+14.0	+5.6
Cohen Dev.	284.0	s.o.1	—15.0	—5.0
Cohen Dev. op 1	209.0	133.4	—30.0	—12.6
M.T.M. 1	806.0	64.7	+1.0	+.1
M.T.M. 5	520.0	59.2	+19.0	+3.8
M.T.M. op 1	440.0	22.3	+25.0	+6.0
Mehadrin r	6650.0	3.3	—100.0	—1.5
ICP r	2801.0	2.3	+100.0	+3.7
Neot Aviv	3630.0	19.6	+330.0	+10.0
Pri Or r	1650.0	146.5	+50.0	+3.1
Caesarea 0.1	1415.0	36.2	+20.0	+1.4
Caesarea 0.5	481.0	218.5	+44.0	+10.1
Caesarea op 2	960.0	106.8	n.c.	—
Caesarea op 3	283.0	173.6	n.c.	—
Rassco prf r	20790.0	12.9	+1890.0	+10.0
Rassco r	20240	12.9	+1890.0	+10.0
Industrials				
Urdan 0.1 r	*1860.0*	*58.7*	*+169.0*	*+10.0*
Urdan 0.5 r	1600.0	142.3	+50.0	+3.2
Urdan op 2 r	1941.0	52.9	+40.0	+2.1
Elbit 3.0 r	4490.0	12.3	+20.0	+.5
Alliance r	—	—	—	—
Alaska Sport 1.0	820.0	30.9	+21.0	+2.6
Alaska Sport 5.0	550.0	44.2	+30.0	+5.8
Alaska Sport op 1	810.0	33.4	+44.0	+7.8
Elco 0.1	2080.0	6.1	+100.0	+5.1
Elco 0.25 r	810.0	405.5	+10.0	+1.3
Elco 0.25 b	1210.0	8.7	n.c.	—
Elco op B	760.0	20.4	+30.0	+4.1
Elco db 1	1630.0	3.1	n.c.	—
Alkol	410.0	250.5	+34.0	+9.0
Alkol op 1	359.0	201.8	n.c.	—
Electra 0.1 r	2910.0	62.7	+60.0	+2.1
Electra 0.5 r	1740.0	85.2	+40.0	+2.4
Electra op 3	1490.0	41.7	+30.0	+2.1
Electra db 2	—	—	—	—
Elron 3	8800.0	15.1	n.c.	—
Argaman prf r	1700.0	16.0	+65.0	+4.0
Argaman prf b	1890.0	8.1	—40.0	—2.1
Argaman r	1600.0	13.9	+24.0	+1.5
Argaman b	1555.0	12.7	n.c.	—
Ata B 1.0	420.0	226.5	+28.0	+7.1
Ata C 0.1	350.0	1,280.5	+15.0	+4.5
Tadir Beton 1.0	811.0	56.3	+25.0	+3.2
Tadir Beton 5.0	449.0	31.5	n.c.	—
Tadir Beton op 1	714.0	63.7	+10.0	+1.4
Goldfrost 1.0	546.0	145.9	+10.0	+1.9
Goldfrost 5.0	298.0	634.7	—5.0	—1.7
Goldfrost op	295.0	56.6	+10.0	+3.5
Dubek prf r	1300.0	42.0	+10.0	+.8
Dubek prf b	1290.0	38.5	n.c.	—
Fertilizers r 0.1	952.0	31.1	n.c.	—
Fertilizers 0.5	487.0	16.4	n.c.	—
Cables r	4100.0	4.0	n.c.	—
Cables b	4250.0	4.8	n.c.	—
Hatchof 1.0	566.0	47.6	—54.0	—8.7
Hatchof 5.0	*400.0*	*178.7*	*n.c.*	*—*
Hatchof op 2	590.0	130.0	—43.0	—6.8
Zikit 1.0	600.0	120.7	—55.0	—8.4
Zikit 5.0	576.0	s.o.2	—30.0	—5.0
Zikit op A	497.0	s.o.2	—30.0	—5.7
Haifa Chem r	1210.0	17.5	n.c.	—
Teva r	1580.0	68.0	+40.0	+2.2
Teva b	1945.0	2.0	n.c.	—
Teva op	17920.0	.6	n.c.	—
Teva op 2	2800.0	5.7	—88.0	—3.1
Teva db 3	303.0	68.5	—3.0	—1.0
Tempo 1.0	454.0	143.8	—15.0	—3.4
Tempo 5.0	337.0	258.2	n.c.	—
Tempo op 1	350.0	130.3	+30	+9.4
Tempo op 2	240.0	151.0	n.c.	—
Tromasbest 1.0	963.0	114.5	n.c.	—
Tromasbest 5.0	570.0	238.7	+21.0	+3.8
Tromasbest op 1	750.0	191.7	+60.0	+8.7
Yomar 1.0	850.0	6.1	—95.0	—10.1
Yomar 5.0	680.0	7.3	n.c.	—
Zion Cables 1.0	3229.0	22.8	—20.0	—.6
Zion Cables 5.0	1310.0	111.6	n.c.	—
Zion Cables op 1	2350.0	15.4	+51.0	+2.2
Clal Ind. Electr.	1375.0	201.9	+90.0	+7.0
Lodzia 0.1 r	d1247.0	5.6	n.c.	—
Lodzia 0.4 r	d410.0	186.5	n.c.	—
Wolfman 1.0	853.0	29.1	—10.0	—1.2
Wolfman 5.0	556.0	s.o.2	—45.0	—5.0
Molett B r	4050.0	13.9	+60.0	+1.5
Galil Ind 1.0	1450.0	89.7	—125.0	—7.9
Galil Ind 3.0	1370.0	60.6	—32.0	—2.3
Man 1.0	665.0	s.o.1	—35.0	—5.0
Man 5.0	356.0	86.8	—19.0	—5.1
Dead Sea r	2500.0	37.0	n.c.	—
AIPM r	1850.0	80.0	+50.0	+2.8
Maquette 0.1	1340.0	41.9	+48.0	+3.7
Maquette 0.5	840.0	28.1	n.c.	—
Maquette op A	690.0	74.7	+3.0	+.4
Assis	6500.0	17.9	+444	+7.3
Assis db 1	7450.0	.9	—604.0	—7.5
Petrochem r	213.0	2,168.4	—23.0	—9.8
Neoushtan 0.1	700.0	32.0	—10.0	—1.4
Neoushtan 0.5	370.0	66.0	n.c.	—
Neoushtan op 1	280.0	78.4	+3.0	+1.1
Sano 1	842.0	132.1	+20.0	+2.4
Sano 5	610.0	198.0	+20.0	+3.4
Elite r	2600.0	25.0	—20.0	—.8
Arad r	290.0	271.6	—4.0	—1.4
Arad op 1	230.0	262.5	—9.0	—3.8
Polgat 0.1 r	d4090.0	2.5	—120.0	—2.9
Polgat 0.4 r	d2410.0	2.7	n.c.	—
Polygon r	1188.0	14.6	n.c.	—
Pecker Steel	784.0	115.3	+28.0	+3.7
Pecker Steel op A	874.0	49.4	+32.0	+3.8
Cyclone 1	566.0	37.8	—40.0	—6.6
Cyclone 5	410.0	109.7	+15.0	+3.8
Cyclone op	311.0	192.7	+17.0	+5.8
Kalil 1.0	765.0	22.7	n.c.	—
Kalil 5.0	570.0	19.6	n.c.	—
Rim 0.1 r	480.0	49.6	+25.0	+5.5
Rim 0.4 r	355.0	173.9	+1.0	+.3
Schoellerina	1795.0	16.7	n.c.	—
Schoellerina op A	2155.0	2.0	+15.0	+.7
Shemen prf r	*7400.0*	*3.2*	*—20.0*	*—.3*
T.A.T. 1.0	795.0	46.5	—5.0	—.6
T.A.T. 3.0	580.0	306.0	n.c.	—
T.A.T. op 1	403.0	188.8	+2.0	+.5
Taya	1074.0	38.1	n.c.	—
Taya op 1	773.0	10.2	—107.0	—12.2
Taal B r	1800.0	66.5	+60.0	+3.5
Taal B b	—	—	—	—
Frutarom r	671.0	45.2	+6.0	+.9
Taro Pharm.	750.0	78.5	+45.0	+6.4
Investment & Holding Companies				
Unico r	1230.0	51.7	—50.0	—3.9
Unico b	1198.0	14.5	—133.0	—10.0
IDB devel. r	1856.0	282.3	+8.0	+.4
IDB devel. op 1	1526.0	23.9	n.c.	—
Incoba	1310.0	47.5	+86.0	+7.0
Elgar r	2610.0	5.6	—290.0	—10.0
Elgar b	2583.0	4.2	n.c.	—
Ellern r	1285.0	31.5	+85.0	+7.1
Ellern b	1200.0	24.8	n.c.	—
Amissar pref	5170.0	.3	+120.0	+2.4
Amissar opt	6010.0	1.8	n.c.	—
Afik 1.0	895.0	86.0	+10.0	+1.1
Afik 5.0	*655.0*	*80.7*	*+5.0*	*+.6*
Central Trade	2780.0	22.6	—103.0	—3.6
Inv Paz r	3087.0	3.8	n.c.	—
Inv Paz b	3099.0	1.2	n.c.	—
Wolfson 0.1	22943.0	.5	+668.0	+3.0
Wolfson 1.0 r	5100.0	8.5	+350.0	+7.4
Wolfson 1.0 b	5140.0	7.4	+184.0	+3.7
Ampa r	2700.0	51.7	+40.0	+1.5
Disc Inv r	1500.0	153.4	+10.0	+.7
Disc Inv b	1490.0	.9	n.c.	—
Disc Inv opt C	3480.0	3.9	n.c.	—
Disc Inv opt D	2360.0	7.1	+20.0	+.9
Discount op. E	984.0	13.5	+26.0	+2.8
Disc Inv deb 135	1815.0	.2	n.c.	—
Hapoalim Inv r	z1800.0	29.2	+5.0	+.3
Hapoalim Inv b	d1800.0	—	+5.0	+.3
Leumi Inv	d960.0	562.7	+30.0	+3.2
Jordan Explo A r	1442.0	79.9	—1.0	—.1
Jordan Explo opt	60615.0	4.6	+3500.0	+6.1
Jordan Explo opt 2	26124.0	2.9	n.c.	—
Mizrahi Inv r	25550.0	25.7	+55.0	+.2
Mizrahi Inv b	5550.0	2.2	+120.0	+2.2
Mizrahi Inv deb 122	159.0	57.9	n.c.	—
Mizrahi deb 124	187.0	25.5	+4.0	+2.2
Clal Trade	612.0	76.1	+15.0	+2.5
Clal Trade op B	1710.0	5.8	n.c.	—
Export Inv r	8000.0	5.4	—460.0	—5.4
Export Inv b	8500.0	3.3	—320.0	—3.6
Koor prf	64000.0	.5	+1000.0	+1.6
Clal Re r	432.0	1,870.0	+10.0	+2.4
Clal Re opt C	1113.0	71.0	+118.0	+11.9
Clal Israel	1095.0	31.9	+20.0	+1.9
Clal Inds	796.0	122.3	+1.0	+.1
Clal Inds opt A	2930.0	13.9	—100.0	—3.3
Clal Inds opt B	1380.0	8.7	—20.0	—1.4
Landeco 0.1	490.0	101.8	—20.0	—3.9
Landeco 0.5	328.0	121.2	—23.0	—6.6
Sahar Hold 1.0	765.0	55.5	—44.0	—5.4
Sahar Hold 5.0	576.0	49.1	n.c.	—
Sahar Hold opt 1	435.0	100.7	n.c.	—
Oz Inv B 0.1	1323.0	110.8	—147.0	—10.0
Oz Inv B 0.5	622.0	53.0	—13.0	—2.1
Oz Inv op 1	1043.0	47.4	—147.0	—12.4
Oz Inv op 2	410.0	84.5	—20.0	—4.7
Pama	d2485.0	24.3	—15.0	—.6
Pama 0.5	d1825.0	43.5	—15.0	—.8
Piryon	1490.0	344.5	—90.0	—5.7
Fuel & Exploration				
Oil Explo Paz	800.0	40.3	n.c.	—
Oil Explo op. 2	579.0	77.3	+21.0	+3.8
Fedoil r	1470.0	8.9	+55.0	+3.9
N. American Oil 1	369.0	343.4	n.c.	—
N. American Oil 5	272.0	296.0	+2.0	+.7
N. Amer. Oil op	256.0	254.1	—6.0	—2.3
Naphta r	9600.0	.7	—200.0	—2.0
Lapidot r	—	—	—	—
Lapidot b	—	—	—	—
New Listings				
Bayside op B	745.0	3.7	—45.0	—5.7
Supersol opt B	510.0	10.9	—30.0	—5.8
Zika 1	341.0	b.o.1	+16.0	+4.9
Zika 5	341.0	b.o.1	+16.0	+4.9

Abbreviations:
s.o. sellers only; b.o. buyers only; d without dividend; c without coupon; x without bonus; deb debenture; n.c. no change; r registered; b bearer; pref. preferred; op. option

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Tamuz 28, 5742 • Ramadhan 27, 1402

The Bekaa again?

OSTENSIBLY, or officially, there is a cease-fire agreement between Israel and Syria. That cease-fire first went into effect on June 11. It was broken shortly after, but then reinstated during the second week of the war.

But the facts in the field remain otherwise. From the beginning of the war, terrorists from southern Lebanon, fleeing from the advancing Israeli units, sought refuge across the Syrian lines in the Bekaa Valley.

Since that time more terrorists have been added to their number — those who succeeded in escaping even after Israel had taken over Tyre, Sidon and the adjoining areas, and perhaps even some who have fled eastward from West Beirut.

The Syrians, for reasons which are not quite clear, have now been permitting these terrorists to attack Israeli positions in eastern Lebanon. *There has been intermittent sniper fire, but also attempts* by small terrorist units to attack Israeli positions. These actions, while unprovoked, are not accidental or uncontrolled. They would not be carried out unless sanctioned by the Syrian army.

The danger, of course, is that such incidents can easily escalate into more serious exchanges between Israel and Syrian regular units. The cease-fire is simply an in-place cessation of shooting. It includes no separation of forces provision nor is it policed by a third party. Its stability depends solely on mutual restraint.

By permitting the terrorists to operate, the Syrians are actively undermining the cease-fire.

On the face of it, the main Syrian interest today should be to keep their front quiet and settle in for a long negotiating effort with the Lebanese to keep military control of the Bekaa, which it is assumed is a principal Syrian strategic interest. It is even believed in some quarters that Syria's reluctance to agree to permitting the besieged PLO to be evacuated from West Beirut to Damascus could be a bargaining ploy in order to ultimately exact from the Lebanese an agreement for a continued Syrian presence in the Bekaa. Such a package could be controlled by Saudi Arabia.

Yet instead of keeping the cease-fire intact, Hafez Assad's forces are slowly but surely hotting things up.

By now the Syrian president should be aware that Israel would not permit the development of any war of attrition in the Bekaa. Nor can it for long absolve the Syrian units from whose sanctuaries the terrorists are allowed to operate.

Until now, the unfinished nature of the war in Lebanon has focussed exclusively on the continued presence of the PLO in West Beirut. Military and political activity has been directed solely on this problem.

Why the Syrians should want now to shift military attention to the Bekaa is a question that eludes an easy answer. But given the close proximity of the Israeli and Syrian forces the odds are that hostilities could erupt — if the Syrians persist in their present course — before the answer is known.

POSTSCRIPTS

P.S. ARTISTS and writers have long celebrated the rural beauty of England's Lake District. But it's likely few realized it was the birthplace of a product that aided their efforts — the humble lead pencil.

A museum in the small tourist town of Keswick chronicles the history of the industry that was born in Elizabethan times and was mobilized during World War II to assist British P-o-Ws in finding their way out of occupied Europe.

The Cumberland Pencil Museum, United Press International reports, has introduced a new exhibit in this its second year of operation, which displays the green-painted pencil issued to British airmen — with a rolled-up map and compass in its hollow interior.

"*You've got spy bugs and all sorts* of things now, but that pencil in its day, I suppose, was quite effective," says Brian Greenwood, a director of the Cumberland Pencil Company.

Greenwood was only a schoolboy when the pencils were hand-*assembled in secret after the regular* work shifts had gone home, but his father told him the story after the war.

The British War Office ordered the special pencils for all pilots in the bomber command, and they were included in Red Cross parcels sent to P-o-W camps.

"Their disadvantage was you couldn't stop the compass rattling," *recounts Greenwood.*

Keswick began its fame as a pencil producer in the mid-16th century, when deposits of volcanic graphite were discovered locally. Farmers used it for marking sheep. But the graphite, carried abroad by Flemish traders, was soon in demand by Italian artists, who enclosed the carbon in a primitive wood holder.

Graphite had other uses too, as an anti-rust preservative for guns and pistols and in pottery manufacture. It was so valuable for making moulds for cannon balls that Parliament passed a law in 1751 providing for banishment to the colonies for anyone who stole or obtained graphite illegally. It was reckoned to be worth £1,000 per kilo. The Cumberland Pencil Company is now owned by Rexel Ltd., an office-products concern with customers in 120 countries.

No graphite has been mined in *the region for pencils in this century.* It is imported instead from as far away as Sri Lanka, Korea, China and Russia to be mixed with clays from Britain or Bavaria.

Waxes give the pencil lead "drag" to make marks on paper and *synthetic resins add rigidity.*

Before 1938, one source of the wood used in pencil making was old Florida cedar, recycled from railway sleeper cars. Supplies now come from a cedar-type tree in California, grown in timber plantations.

The pride of the museum of Keswick is a massive 2.13m. pencil weighing 11 kilos. Its 2.5cm. thick lead looks rather dull, but since the *Guinness Book of Records* lists it as the world's longest pencil, it's unlikely it will be sharpened.

THE MEANING OF THE RALLY

By SHALOM COHEN

THE MAMMOTH public rally to demonstrate solidarity with the government's policy in Lebanon, might well have been initiated for a purpose beyond its apparent im*mediate one.*

The immediate purpose was clearly proclaimed: it was the government's, or the Likud's response *to the earlier Peace Now* anti-war rally, to confirm the public opinion polls and show that a large majority backed the government. Even if the huge turn-out included some people always ready to attend any public happening — which applies equally to the Peace Now protest/demonstration — Mr. Begin and Mr. Sharon will no doubt draw encouragement and confidence *from this manifestation of crowd* support. Even if a rally, with the personal attendance of the big guns, of "going out to the people" (unlike to other, less dramatic, forums such as the Knesset Foreign Affairs and Defence Committee), was bound to bring out masses of people and supporters.

And if no previous government saw the need or fitness to summon *such a public demonstration in sup*port of an ongoing war — well, there is always a "first." And the government today can claim that that other rally, of dissent in wartime, was also a "first."

But Mr. Begin, and Mr. Sharon, must know that the outcome of the war will not be decided in a Tel Aviv square. And, hopefully, they will not be seduced into underestimating the present Lebanese *diplomatic and military super*complexities on the morning after. Even if they think this mammoth rally has given them a blank cheque.

But, as we began Saturday's going to the people in the street, could have a longer-range aim. And one hopes that this presumed underlying aim will prove redundant (for even the wildest critics of the government will not be exempt from the *results of a debacle*).

Namely, that it is a "contingency support" exercise, in the event that the "grand design" of the war in Lebanon gets unstuck in the end (and whatever the causes is irrevelant here). In other words, that the end objective, of removing the PLO as a factor in Lebanese national domestic politics together with the creation of a sovereign and (*even relatively*) *stable government* in Beirut, proves to be "inoperable." It's all the same whether the reasons turn out to be external (i.e. U.S.) diplomatic pressure, difficulties or inhibitions in the field, or a Lebanese failure to fill their allotted role. All these pos*sibilities needed to be taken into* account at the start (or even midway) in the extended operation. Every sane person must devoutly hope that such an event, which would also allow the PLO to turn defeat into a political public relations victory, does not come to pass.

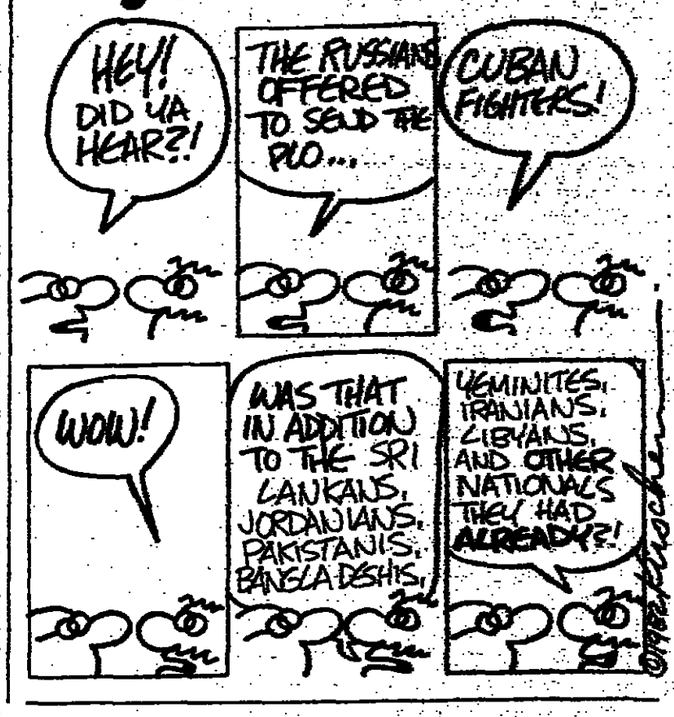
THE IMPLICATION of all this is the hope that the government — Mr. Begin and Mr. Sharon — will not see the huge solidarity rally as a future, post factum, "alibi" should events in Lebanon take a turn for *the worse, as measured against their* declared goal. That in such an event — pray that it doesn't happen — they will resort to referring back to yesterday's *vox populi*, and then turn on the dissidents (who in fact have a mini-marginal influence on what happens in the field) as the culpable arch-villains.

Critics of the government's policy, whether official opposition *spokesmen or the less skilled Peace* Now movement, would therefore be well advised to tread carefully at this critical juncture.

It cuts both ways. Even though the internal dissent plays a small practical role in government policy and actions, it might be exploited as a scapegoat if things go awry. The giant turnout, the chanting — yes, *the democracy of the street* — means something. It does not mean silencing public debate, but the realization that impulsive, imprudent and ultra-divisive internal political warfare could one day, perhaps in the not-so-distant future, prove self-defeating. This is equally valid, if, such caution and foreboding turn out to be misplaced *and unwarranted.*

The writer is a member of The Jerusalem Post *editorial staff.*

Dry Bones



READERS' LETTERS

LIMITS TO TECHNOLOGICAL IMPROVEMENTS

To the Editor of The Jerusalem Post

Sir, — Your military correspondent, Hirsh Goodman, is generally to be commended for his incisive *contributions to our knowledge of* what is happening both at the front and behind the lines. Included in this is his article in the Magazine of July 2.

There was, however, one sentence in his article which hurt *me, and I might even say was offen*sive. Mr. Goodman served the public well with his analysis of how the IDF learned the lessons of the Yom Kippur War and overcame many previous weaknesses. He goes too far, however, when he disregards the limits to technological improvement and the disastrous mix-ups which have *always* been a part of *all* wars.

The offensive sentence comes after a description of the precision and effectiveness of air support for the ground forces in Operation Peace for Galilee. The sentence states: "Of course there were some mistakes, but these should not *detract...*" *It is offensive to me that* the deaths of fine, brave young men should be swept away as "mistakes which should not detract..." Mr. Goodman undoubtedly knows the truth that, however good the technology and however skilled the *application, part of the cost of war* will be mix-ups in which our own forces attack and kill our men.

Make no mistake about it, our military forces are as skillful as any in the world, and care far more than most armies about the lives of our soldiers. Despite this, battle is always confusion and, if we are to avoid dangerous euphoria, we should be told that, despite all skill and care, there *will always* be deaths more tragic and senseless than those caused by our enemies.

T.H. FRIEDGUT

Jerusalem.

INDIAN POLITICS

To the Editor of The Jerusalem Post

Sir, — The recent decision of the Indian government to order the Israel *Consul in Bombay to* leave the country within 48 hours, its consideration of the possibility of closing the consulate, and its stand in the Israel PLO conflict in Lebanon, will be comprehensible only to those who understand the internal *politics of India.*

Although there is a preponderance of support for Israel among the Hindu majority, that Hindu majority is divided in its political affiliations. Mrs. Gandhi cannot be sure of its political support in an election. However, one of her most solid bases of support is to be found among the Moslems.

Moslems all over the world, owe allegiance to Islam first and to their country second. These feelings cannot be ignored by any leader who seeks their support, as Mrs. Gandhi *does. India's blind support of the* Arabs and lack of understanding and sympathy for Israel's case, can only be understood in this context.

Lod. *VERULKAR MOSHE*

WEST BANK SETTLEMENTS

To the Editor of The Jerusalem Post

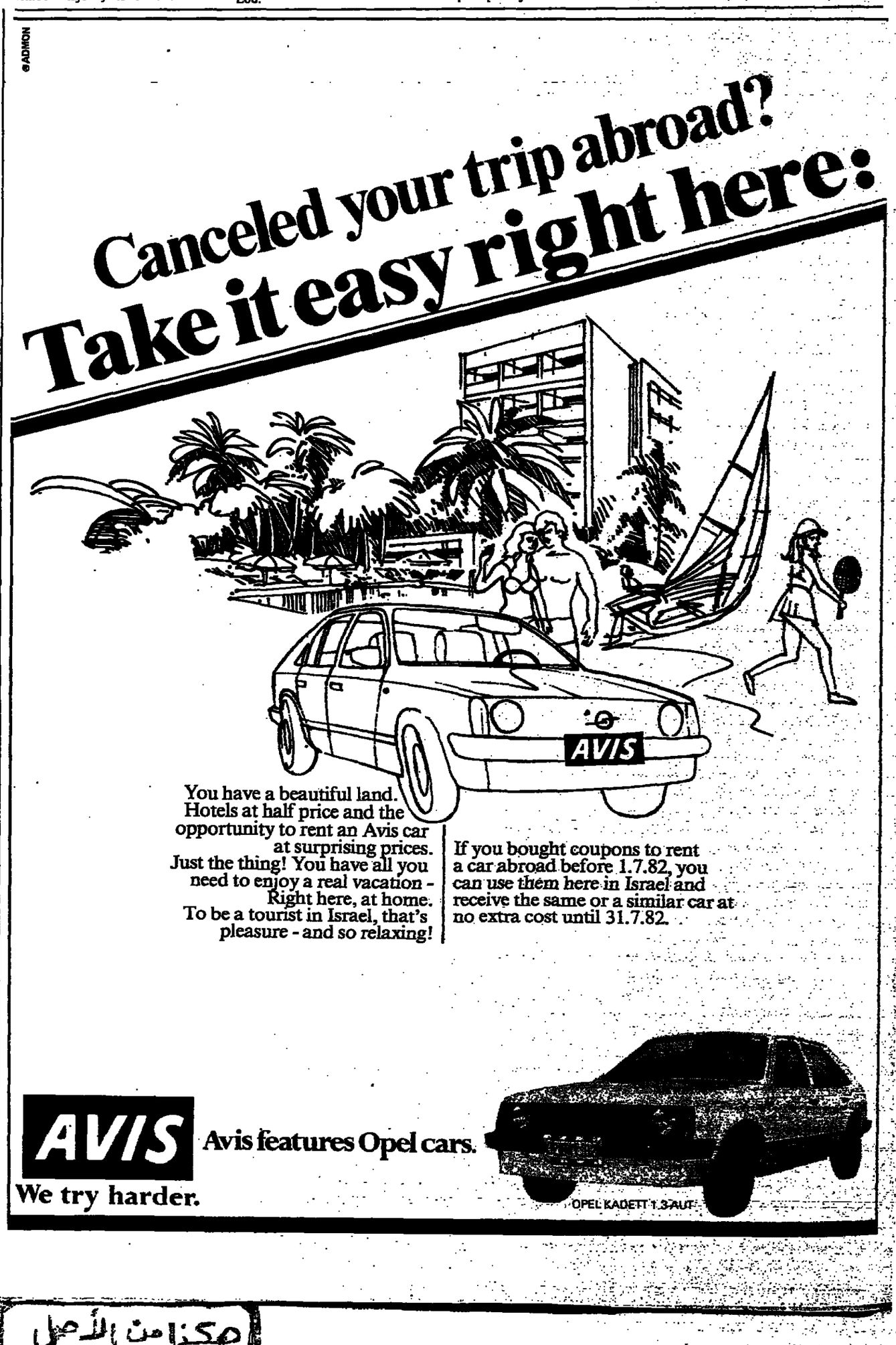
Sir, — My wife and I have just returned from our seventh visit to Israel. *On this trip*, we decided to visit the settlements on the West Bank.

Contrary to what "friends" of Israel write, the settlements we saw were established on barren hills and distant from Arab villages; all the arable land is being cultivated by Arabs. In Arab villages, we saw beautiful villas, owned by Arabs who are benefiting from the prosperity and infrastructure brought by Israel. When Israeli friends learned that we were about to visit the settlements, they feared for our safety — a fear which in every instance was baseless. The West Bank is as safe as Central Jerusalem. Subsequently, we were shocked to learn how few Israelis have visited any of the many settlements and the amount of misinformation that exists.

We urge your readers to see what is going on at first hand.

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